

STATE OF MARYLAND

THE DEVELOPMENT OF
A COMPENSATION SYSTEM

VOLUME I

SUBMITTED TO THE
COMMISSION ON COMPENSATION
AND PERSONNEL POLICIES

December 1982



Cresap, McCormick and Paget Inc.
Management Consultants



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HARRY HUGHES
GOVERNOR

STATE OF MARYLAND
EXECUTIVE DEPARTMENT
COMMISSION ON COMPENSATION AND PERSONNEL POLICIES
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December 22, 1982

The Honorable Harry Hughes
Governor of Maryland
State House
Annapolis, Maryland 21401

Dear Governor Hughes:

Transmitted herewith is the Cresap, McCormick and Paget, Inc., Final Report concerning the development of a new compensation system for the State of Maryland.

This report presents only the recommendations made by the consultants. In a subsequent report we will present to you our own policy recommendations relating to the consultant's study.

The consultant's report is covered in two volumes. Volume I contains a narrative which describes their approach to the project, the elements of the proposed system, and the firm's recommendations. An executive summary is also found in this volume. Volume II of the report contains the specific and detailed information for the newly proposed classification and grading structures.

To assist in formulating its own recommendations, the Commission will make available both Volume I and Volume II to all interested parties in State government to give them an opportunity to comment on the findings and recommendations made by the consultants. After considering these comments, we will make a comprehensive report to you. Needless to say, we will welcome your comments and those of your staff on any aspects of the consultant's report.

We are forwarding to the Department of Personnel those deliverables, such as reclassification lists, which were generated by the compensation project and support the consultant's report. These materials would be necessary should a new compensation system be authorized. We believe that the Department of Personnel should review these materials and the consultant's report with an eye toward implementation, inasmuch as the Department will have ultimate responsibility for carrying out the final decisions that are made.

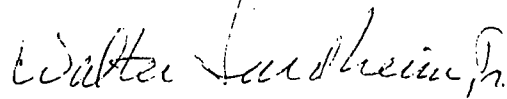
The Honorable Harry Hughes
Governor of Maryland

2.

December 22, 1982

The Commission has noted on the record and reiterates that the recommendations found in the consultant's report are neither State policy nor the Commission's recommendations. The Commission views the consultant's report as a tool which will help the Commission develop its own policy recommendations.

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STATE OF MARYLAND

THE DEVELOPMENT OF A COMPENSATION SYSTEM

VOLUME I

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STATE OF MARYLAND

THE DEVELOPMENT OF A COMPENSATION SYSTEM

VOLUME I

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EXECUTIVE SUMMARY

- Objectives And Approach
- Summary Of Recommendations
- Implementation Costs

EXECUTIVE SUMMARY

This Executive Summary synthesizes the recommendations regarding the development of a new compensation system for the State of Maryland.

OBJECTIVES AND APPROACH

- The Commission on Compensation and Personnel Policies was appointed by the Governor in July 1979 to recommend improvements in State personnel practices, with particular emphasis on the area of compensation.
 - To carry out these recommendations, the Commission selected Cresap, McCormick and Paget Inc. (CMP) to provide professional assistance in developing a new compensation system.
- The project encompasses approximately 50,000 State employees.
 - Excluded from the project are all employees of the University of Maryland, faculty of State colleges and universities, the employees of the Mass Transit Administration, contractual employees, temporary employees, and elected officials.
- A State Compensation Task Force, composed of 40 State personnel specialists, worked with the CMP study team reviewing more than 40,000 completed position questionnaires, interviewing more than 3,500 State employees, classifying positions, preparing new specifications, and evaluating classes.

SUMMARY OF RECOMMENDATIONS

- The new class structure has reduced the total number of State classes by nearly 50 per cent.
 - In particular, the recommended structure combines classes in a hierarchical series where duties and responsibilities are virtually identical.
 - This recommended change is in concert with the Commission's interim report which called for elimination of the State's practice of interchangeable classes where differences among classes have been based primarily on seniority of incumbents.

- Six salary structures have been developed consistent with the Commission's intent of ensuring that State salaries are competitive in relevant labor markets.
 - The six salary structures are:
 - o Clerical and technical
 - o Executive
 - o Physician
 - o Professional and managerial
 - o Public safety
 - o Trades and labor.
- Factor ranking was selected as the evaluation method to establish proper internal pay relationships within the Clerical and Technical, Professional and Managerial, Public Safety, and Trades and Labor salary structures.
 - Factor ranking, a process of comparing and ranking classes on a number of common characteristics or factors, is an established evaluation methodology.
 - Classes in the Executive and Physician salary structures were evaluated based on observing the scope of responsibilities of individual positions.
- A second compensation survey was conducted which represented an expansion of the original survey conducted in late 1981.
 - The survey participants consisted of:
 - o 18 state governments
 - o 19 local governments
 - o 2 federal agencies
 - o 6 local hospitals
 - o 10 private companies.

- On the basis of this survey, competitive salary rates were determined for each salary grade in the six pay plans.
 - The Clerical and Technical Pay Plan is based on the survey of local governments, local federal agencies, local hospitals, and local private companies.
 - o The average of the surveyed salaries is approximately 10 per cent to 12 per cent more than that of Maryland salaries for these positions.
 - The Executive Pay Plan is based on the survey of other state governments, large local governments, and local private companies.
 - o On average, state executive salaries are 6 per cent to 7 per cent below surveyed salary levels.
 - The Physician Pay Plan is based on the survey of selected state governments, supplemented by appropriate surveys on physician compensation.
 - o The State of Maryland physician salaries fall below those of selected states by an average of 12 per cent to 15 per cent.
 - The Professional and Managerial Pay Plan is based on the survey of other state governments, local governments, federal agencies, local hospitals, and private companies.
 - o Maryland's professional and managerial salaries are 15 per cent below similar bench-mark classes surveyed.
 - The Public Safety Pay Plan is based on the survey of other state governments and local governments.
 - o Maryland salaries are approximately 10 per cent above those of other states and local governments.
 - The Trades and Labor Pay Plan is based on the survey of local governments, local hospitals, and local private companies.
 - o Maryland trades and labor salaries are approximately 18 per cent below surveyed salaries.

- Range depths (per cent of difference between minimum and maximum range salaries) have been increased to provide more opportunity for salary advancement tied to professional development and job performance.
 - The range depth of existing State salary plans is approximately 30 per cent.
 - The range depth of the Clerical and Technical, Public Safety, and Trades and Labor plans has been increased to 40 per cent.
 - The range depth of the Executive, Professional and Managerial, and Physician pay plans has been increased to 50 per cent.
 - o Range depths of 50 per cent or more are typically found in the private sector for managerial-level positions.
- The Executive, Physician, and Professional and Managerial pay plans are recommended as "open-range" plans to provide more flexible merit adjustments tied to level of job performance.
 - The Clerical and Technical, Trades and Labor, and Public Safety plans are recommended to continue as increment plans.

IMPLEMENTATION COSTS

- The total cost to implement the six pay plans approximates \$135 million.
 - This total represents the cost to bring incumbent salaries to surveyed market salary levels adjusted to include incremental fringe benefit costs.
- The immediate (first year) cost to move all incumbents salaries within the proposed pay plans approximates \$27 million.
- The remaining \$108 million cost would be incurred over a three- to five-year period as incumbent salaries are adjusted to midpoint levels following salary administration guidelines outlined in this report.

I - INTRODUCTION

- Background
- Objectives And Scope Of Phase II
- Approach To The Project
- Arrangement Of This Report

INTRODUCTION

The report covers the development of a compensation system for the State of Maryland. This introductory chapter outlines the background, objectives, and scope of Phase II and the overall approach taken in conducting it. It also sets forth the arrangement of this report.

BACKGROUND

- The Commission on Compensation and Personnel Policies (hereafter referred to as the Commission) was appointed by the Governor in July 1979 to recommend improvements in State personnel practices, with particular emphasis on the area of compensation.
 - The Commission's interim report, which was issued in January 1981, contained several recommendations, including a recommendation that "State compensation levels should be competitive with compensation provided for similar work in private and public employment."
 - The Commission also recommended that "compensation be provided equitably so that employees with comparable duties, responsibilities, and authority receive comparable salaries and benefits in accordance with the relative value of the service provided and the experience of the employee."
- To carry out these recommendations, the Commission selected Cresap, McCormick and Paget Inc. (CMP) to provide professional assistance in two phases: Phase I - development of interim recommendations and Phase II - development of a new compensation system.
- The purpose of Phase I, which was completed in December 1981, was to recommend pay plan changes which could go into effect as early as July 1, 1982.

OBJECTIVES AND SCOPE OF PHASE II

- The purpose of Phase II was to develop a new compensation system for the State of Maryland.
- The specific objectives of Phase II were to:
 - Revise and update the State's position classification plan by consolidating into classes positions that are sufficiently similar to receive the same compensation and require similar minimal screening criteria.

INTRODUCTION (Cont'd)

- Develop occupational groupings of classes which are sufficiently similar to provide the same general pay comparability adjustment.
 - Develop class specifications.
 - Provide the State with a job evaluation approach that has quantified and job-related results and that measures jobs in a manner consistent with the Federal Equal Pay Act and other pertinent statutes.
 - Apply the job evaluation approach to the Maryland work force to develop appropriate internal pay relationships among classes.
 - Provide the State with a salary and benefit data collection and analysis system for use in maintaining the classification/job evaluation systems installed.
 - Develop procedures for resolving instances in which the job evaluation methodology yields results sufficiently inconsistent with labor market pay rates to produce unacceptable recruitment/retention characteristics.
 - Conduct and develop plans for applying the first salary and benefits comparability survey for the classification/job evaluation system installed.
 - Develop a training program and train State job evaluation specialists and management personnel.
 - Meet with State officials, legislators, department and agency heads, and employee groups to review and discuss the proposed systems.
- The project encompassed approximately 3,000 occupational classes in the State, which affect approximately 50,000 State employees.
 - Excluded from the project were all employees of the University of Maryland, faculty of State colleges and universities, the employees of the Mass Transit Administration, contractual employees, temporary employees, and elected officials.

APPROACH TO
THE PROJECT

- The approach consisted of several interrelated tasks which are briefly described below.
 - A more detailed discussion of the methodology and results of these tasks is set forth in subsequent chapters and appendixes to this report.

Orientation And Project Startup

- Initially, the study team reviewed the State's present classification and pay plans and gained an understanding of the historical events and current issues relevant to the study.
 - Background materials and reports were reviewed and senior officials were interviewed.
- Next, a position questionnaire was designed and distributed to all State employees to elicit pertinent information regarding their positions.
 - The questionnaire was designed based on a preliminary identification of the factors most likely to be used in the evaluation process.
 - The questionnaire was designed in two parts:
 - o The first part was completed by the incumbent.
 - o The second part was completed by the incumbent's supervisor.
 - The questionnaire was then distributed to each incumbent with a cover letter explaining the purpose of the study and providing instructions and a schedule for completion.
 - Senior representatives from each agency (referred to as Agency Coordinators) were given responsibility for distributing the questionnaires to employees in their agencies and collecting responses.
 - Employees were given one week to complete the questionnaire.

INTRODUCTION (Cont'd)

- A copy of the position questionnaire is included as Appendix A.
 - o To assist employees in completing the questionnaire, State employees were given the names and telephone numbers of CMP study team members who could be contacted to answer questions and concerns related to the distribution or return of the questionnaires.
- More than 40,000 employees completed the questionnaire.
 - o Completed questionnaires were then filed by the employee's class title for review purposes.
- During the questionnaire distribution and collection process, a State Compensation Task Force composed of 40 State personnel specialists was identified to work with the CMP study team.
 - On December 15 and 16, 1981, the Task Force was given orientation and skills training.
 - The Task Force worked with the CMP study team from January through June 1982, reviewing questionnaires, interviewing employees, classifying positions, preparing new specifications, and evaluating classes.

Establishing Internal Equity

- The first task undertaken by the Task Force was to review completed questionnaires.
 - The emphasis was on comparing the incumbent's statement of duties and responsibilities, qualifications, and other pertinent information with the appropriate official class specifications.
 - o In addition, questionnaires were reviewed for verification of each incumbent's class title, salary grade, and work location; comments on the questionnaire by the incumbent or supervisor were also noted.
 - Questionnaires that revealed discrepancies in the information provided by position incumbents and supervisors, and/or which did not correspond to the

INTRODUCTION (Cont'd)

official class specification (or the questionnaires of other incumbents of the class) were identified for further study and possible interviews.

- Next, the Task Force interviewed a sample of State employees representative of a variety of State positions, organizations, and work locations.
 - The purpose of these interviews was to gain further understanding of the duties and responsibilities of State positions and organizations and of the factors that might affect the grading of positions.
 - The interviews were conducted at employees' work sites at several locations across the State to confirm and clarify information provided in the questionnaires and to gain insight into the programmatic environments in which the incumbents' duties and responsibilities were carried out.
 - More than 3,500 State employees were interviewed.
- On the basis of the analysis of the position questionnaires, class specifications, and incumbent interviews, State positions were classified.
 - In those situations where positions did not fit into an existing classification, new classes were established.
- Class specifications were updated to conform to the development of new classification structures.
 - Many existing specifications were substantially rewritten to accommodate proposed modifications in job series as a result of combining or abolishing classes.
- Proposed classes were evaluated through the application of a factor ranking method of comparing all classes on a number of appropriate common characteristics or factors.
 - Certain classes were evaluated as bench marks to establish the specific evaluation plans.
 - Bench-mark classes were selected based on representation of various grade levels, inclusion of a cross-section of occupations, and coverage of significant classes with large numbers of state employees.

- Four evaluation plans were developed and evaluation factors were chosen to establish proper internal equity within each of the four plans.

Determining External Competitiveness

- A salary and benefits survey was designed and conducted concurrently with the preceding tasks.
 - A survey questionnaire was developed which included appropriate summary descriptions of duties and responsibilities of State classes to ensure comparability with positions at other organizations.
 - The survey questionnaire was sent to local governments, local federal agencies, other state governments, local hospitals, and local private companies.
 - Survey data provided by the participating organizations were tabulated and studied using computer-based analyses techniques.
 - In addition, employee benefit plans were reviewed and analyzed.
- Salary ranges were then developed based on the surveyed salaries.

Documenting The Results

- Salary administration policies and procedures were developed for the six pay plans.
- Costs were calculated based on the options of implementing the proposed pay plans on a one-, three-, or five-year basis.
- Finally, this report was prepared which documents the results of the study.

ARRANGEMENT OF THIS REPORT

- Following this introductory chapter, this report (Volume I) is arranged in four chapters and six appendixes, as follows:

INTRODUCTION (Cont'd)

- II - Establishing Internal Equity - describes the approach taken in the development of class structures, evaluation plans, and the proposed grade structures.
- III - Determining External Competitiveness - discusses steps taken in conducting the compensation survey, summarizes the survey's findings, and presents the proposed salary ranges.
- IV - Administration And Maintenance - discusses the procedures necessary to maintain the evaluation system and the salary ranges and to administer individual salaries.
- V - Implementation - presents the implementation costs, three options of implementing the proposed compensation system, and the next steps.

Appendixes:

- A - Position Questionnaire
- B - Clerical And Technical Evaluation Plan
- C - Professional And Managerial Evaluation Plan
- D - Public Safety Evaluation Plan
- E - Trades And Labor Evaluation Plan
- F - Benefits And Perquisites Survey Results

- Volume II, submitted under separate cover, contains the proposed class and grading structures for the Clerical and Technical, Executive, Physician, Professional and Managerial, Public Safety, and Trades and Labor pay plans.

II - ESTABLISHING INTERNAL EQUITY

- Class Structure Development
- Evaluation System Design
- Evaluation System Application
- Salary Grade Determination

ESTABLISHING INTERNAL EQUITY

This chapter presents the principal steps taken in (1) assigning State positions to classes and (2) evaluating and grading proposed classes to ensure internal equity within the State of Maryland. It covers class structure development, evaluation system design, evaluation system application, and salary grade determination.

CLASS STRUCTURE DEVELOPMENT

- The proposed classification of State positions is based on a set of premises.
 - These premises were established based on the Commission's 1981 interim report which recommended revision of the entire class structure, including elimination of the State's concept of interchangeable classifications.
- First, the number of classifications would need to be reduced to eliminate, where possible, unnecessary classes.
 - A perception exists that there are more State classifications than are actually justified.
 - The scope of existing classes would be broadened and new classes would be established to include positions with similar duties and responsibilities.
- Second, class specifications would be based on actual duties and responsibilities performed, as indicated by the questionnaires and interviews.
 - A concern exists that class specifications do not accurately reflect the duties and responsibilities of State employees.
 - Specifications that inadequately reflect the duties and responsibilities of positions would be amended.
 - Existing class specifications which represent jobs no longer performed would be eliminated.
 - Specifications would also be written to define new State classifications.

- Third, a classification in a hierarchical series would represent a unique set of duties and responsibilities, readily distinguishable from other classifications in that series.
 - Whenever the duties and responsibilities of two classes overlap, the classification would be re-structured and combined.

Proposed Class Structure

- On the basis of the foregoing premises, State positions were reviewed to determine whether the duties and responsibilities being performed were:
 - Similar to those performed by other positions in the same class
 - Similar to those performed by positions in other classes
 - Adequately described by the existing class specifications.
- Classes that contained a significant percentage of incumbents performing duties considered similar to other classes were consolidated with those classes.
- Moreover, overlapping or redundant classes in a series were combined.
 - Incumbents in a class who were performing significantly different duties were grouped under a new classification.
 - Finally, classifications that do not reflect any job now performed in the State were eliminated.
- Volume II of this report presents the proposed class structures which relate proposed class titles to the State's current class titles.
- Overall, the number of State classes has been reduced by nearly 50 per cent.

Class Specifications

- New class specifications were prepared to describe the duties, responsibilities, and qualifications for each proposed class.
- Many of the existing specifications were modified to include new information or accommodate proposed modifications in a class series.
- New specifications were also created to define a new class or a totally redefined class.
- The prepared class specifications are being submitted to the State under separate cover.

Reclassifying Individual Positions

- This task consisted of assigning State positions to the most suitable class based on the review of the position questionnaires and interviews.
- A position was assigned to a new class if the work performed by the incumbent was substantially different from the specifications for that class.
- A list of individual position reclassifications also are being submitted to the State under separate cover.

EVALUATION SYSTEM DESIGN

- Because the State work force is composed of a wide variety of occupations recruited from several labor markets, it was considered appropriate to develop multiple salary structures and evaluation plans.
 - Separate evaluation plans better ensure that State salaries are more competitive in relevant labor markets.
- Six salary structures were developed; internal equity was established within each salary structure.

- The six salary structures are as follows:
 - o Clerical and technical
 - o Executive
 - o Physician
 - o Professional and managerial
 - o Public safety
 - o Trades and labor.
- Factor ranking was selected as the evaluation method to establish proper internal pay relationships within the clerical and technical, professional and managerial, public safety, and trades and labor salary structures.
 - Factor ranking, a process of comparing and ranking classes on a number of common characteristics or factors, is an established evaluation methodology.
 - Classes in the Executive and Physician salary structures were evaluated based on observing the scope of responsibilities of individual positions.
- The remainder of this section outlines the steps involved in developing the evaluation plans.

Selecting Evaluation Factors

- A number of specific evaluation factors, tailored to the characteristics of the classes within each separate plan, were selected based on the following criteria:
 - Each factor selected should measure a significant and distinct characteristic or element of a class with a minimum of overlap.
 - Each factor should apply to all classes to varying extents.
 - The number of factors should be held to a minimum for ease in evaluation and administration.

ESTABLISHING INTERNAL EQUITY (Cont'd)

- The factors should be derived from an analysis of job content as determined from the questionnaires received and interviews completed.
- The factors, taken together, should embody all significant characteristics of the classes being evaluated.
- Three evaluation factors were selected for the Professional and Managerial Plan.
 - Knowledge and Skills analyzes the experience, education, and abilities needed.
 - Impact and Accountability measures the scope of responsibilities and potential impact of employees' actions.
 - Relationship Responsibility analyzes the importance of working relationships in carrying out these responsibilities.
- The Clerical and Technical Plan would have three factors.
 - The factors were:
 - o Knowledge and Skills
 - o Decisions and Actions
 - o Relationships Responsibility.
 - Decisions and Actions measures the degree of independence among positions which typically have limited responsibility and impact on State organizations.
- Three evaluation factors were also selected for the Trades and Labor Plan.
 - The factors were:
 - o Knowledge and Skills
 - o Decisions and Actions
 - o Working Conditions.
 - Working Conditions measures the disagreeable elements and the potential for physical harm found among the trades and labor jobs.

ESTABLISHING INTERNAL EQUITY (Cont'd)

- Four evaluation factors were selected for the Public Safety Plan:
 - Knowledge and Skills
 - Decisions and Actions
 - Relationships Responsibility
 - Working Conditions.
- Factor definitions for each of these plans were prepared for use in the evaluation process.
 - Factor definitions applicable to each evaluation plan are found in the appendixes to this report.

Determining Factor Weights

- Evaluation weights were applied to reflect the relative importance of each factor within each of the separate plans.
 - Although each evaluation factor was significant in the evaluation process, each is not of equal importance in measuring the overall value of a class to the State.
- Exhibit II-1, on the following page, shows the evaluation weights (expressed as a per cent of total) which were established for four evaluation plans.
 - Knowledge and Skills has been weighted more heavily than Decisions and Actions in the Clerical and Technical and Trades and Labor plans, because incumbents must possess the necessary education and training to perform the duties and responsibilities.
 - Knowledge and Skills was weighted equally with impact and accountability in the Professional and Managerial plan.
 - Relationships responsibility and working conditions are generally considered to be of somewhat less importance than the other factors.

Computing Evaluation Point Scores

- Next, evaluation point scores were assigned to each level for each factor.

State Of Maryland
EVALUATION FACTOR WEIGHTS
BY PAY PLAN

<u>Pay Plan</u>	<u>Evaluation Factor</u>	<u>Weight (Per Cent)</u>
Clerical And Technical	Knowledge and Skills	50.0%
	Decisions and Actions	40.0
	Relationships	
	Responsibility	<u>10.0</u>
		100.0%
Professional And Managerial	Knowledge and Skills	40.0%
	Impact and Accountability	40.0
	Relationships	
	Responsibility	<u>20.0</u>
		100.0%
Public Safety	Knowledge and Skills	40.0%
	Decisions and Actions	40.0
	Relationships	10.0
	Responsibility	<u>10.0</u>
	Working Conditions	100.0%
Trades And Labor	Knowledge and Skills	50.0%
	Decisions and Actions	40.0
	Working Conditions	<u>10.0</u>
		100.0%

- The points assigned were computed to reflect the relative weight of each factor.
- Appendixes to this report indicate points assigned to each factor level for each evaluation plan.

EVALUATION SYSTEM
APPLICATION

- Within each evaluation plan, each class was compared and ranked with all of the other classes on each factor - one factor at a time.
 - For this process, the specific definition of the factor was used.
 - o For example, when the factor impact and accountability was chosen, each class would be discussed and ranked as specifically and concretely as possible, in terms of the opportunity for the class to affect or influence results, the extent of its decision-making latitude, and so on.
 - This process resulted in establishing relative levels or ranks for all classes on each of the factors.
- Classes considered equivalent were grouped at the same level.
 - Classes grouped at each level reflected a significant degree of difference from the level below and the one above.
 - Once completed, a level score (along with weighted evaluation points) was recorded for each classification.
 - The same ranking level assignment process was repeated for each of the other factors.
- Before applying the factor ranking system to all classes within the State system, the CMP study team evaluated representative classes (bench marks) from each of the evaluation groups.
 - This method ensured that a consistent framework was developed for evaluating all of the remaining classes relative to the bench marks.

____ESTABLISHING INTERNAL EQUITY (Cont'd)____

- Next, the Task Force, working under CMP supervision, evaluated all of the remaining classes.
- The factor level listings for all groups are being submitted to the State separately; they can be used in comparing and ranking newly created or changed classes.

SALARY GRADE
DETERMINATION

- After each class was ranked and assigned weighted evaluation points for each factor, the evaluation point scores for each class were combined to produce a total weighted point score.
 - The total weighted points assigned were reviewed to determine the number of salary grades needed to differentiate among the classes.
- In establishing salary grades, the following criteria were followed:
 - Each grade should include only classes of comparable value.
 - There should be a significant number of grades to provide for all organizational and supervisory levels within the State's departments and agencies.
- On the basis of these criteria, various grade structures were tested.
 - The number of grade levels in the four salary structures are shown in the table below:

<u>Salary Structure</u>	<u>Number Of Grades</u>
Clerical and Technical	10
Professional and Managerial	14
Public Safety	14
Trades and Labor	8

- On the basis of a separate analysis, six grades were established for both the Executive and Physician salary structures.
- The assignment of classes to these salary structures is presented in Volume II of this report.

III - DETERMINING EXTERNAL COMPETITIVENESS

- Compensation Survey
- Clerical And Technical Pay Plan
- Executive Pay Plan
- Physician Pay Plan
- Professional And Managerial Pay Plan
- Public Safety Pay Plan
- Trades And Labor Pay Plan
- Proposed Salary Range Characteristics
- Fringe Benefits

DETERMINING EXTERNAL COMPETITIVENESS

A primary objective of the project was the development of salary ranges that are externally competitive so that the State of Maryland can recruit, motivate, and retain capable employees. After completing the classification, evaluation, and grading processes which established internal equity, CMP developed competitive salary ranges. This chapter presents and discusses the development of the recommended salary ranges for the six proposed pay plans.

COMPENSATION SURVEY

- A second compensation survey was developed which represented an expansion of the original survey conducted in late 1981.
 - Bench-mark classes were selected based on:
 - o Comparability to other organizations
 - o Representation of various grade levels
 - o Inclusion of a cross section of occupations
 - o Coverage of significant classes with large numbers of employees.
 - Survey participants were selected based on:
 - o Geographic proximity to the Maryland work force
 - o Functional comparability
 - o Representation of various labor markets
 - o Coverage of various locations within the State
 - o Innovative compensation practices.
 - The survey questionnaire included a summary description of the duties and responsibilities of each bench-mark class to ensure comparability of job content.
 - The survey questionnaire also included questions regarding levels of fringe benefits, to provide a framework for assessing overall competitiveness of compensation levels.

-----DETERMINING EXTERNAL COMPETITIVENESS (Cont'd)-----

- The selection of bench marks and the organizations to be surveyed was reviewed with Commission members on April 16, 1982.
- Survey questionnaires were mailed to 22 states, 26 local governments, 4 federal agencies, 14 hospitals, and 34 private companies.
- Fifty-five organizations, listed in Exhibit III-1, on the following page, responded to the survey.
 - The survey participants consists of:
 - 18 state governments
 - 19 local governments
 - 2 federal agencies
 - 6 local hospitals
 - 10 private companies.
- Survey data provided by the participating organizations were tabulated and studied using computer-based analysis techniques.
 - As responses were received from these organizations, they were reviewed to determine whether the reported salary data were usable.
 - Data not clearly reported or otherwise questionable were clarified by contact with respondents; information which was not comparable was excluded from the analysis.
- Competitive salary rates were determined for each salary grade in the six pay plans.
 - To accomplish this, salary trend lines were developed for each pay plan by market and overall.
 - The trend lines represent the median of prevailing salary levels in each relevant labor market.
- Exhibit III-2 shows the markets that were surveyed for the six pay plans.

DETERMINING EXTERNAL COMPETITIVENESS

A primary objective of the project was the development of salary ranges that are externally competitive so that the State of Maryland can recruit, motivate, and retain capable employees. After completing the classification, evaluation, and grading processes which established internal equity, CMP developed competitive salary ranges. This chapter presents and discusses the development of the recommended salary ranges for the six proposed pay plans.

COMPENSATION SURVEY

- A second compensation survey was developed which represented an expansion of the original survey conducted in late 1981.
 - Bench-mark classes were selected based on:
 - Comparability to other organizations
 - Representation of various grade levels
 - Inclusion of a cross section of occupations
 - Coverage of significant classes with large numbers of employees.
 - Survey participants were selected based on:
 - Geographic proximity to the Maryland work force
 - Functional comparability
 - Representation of various labor markets
 - Coverage of various locations within the State
 - Innovative compensation practices.
 - The survey questionnaire included a summary description of the duties and responsibilities of each bench-mark class to ensure comparability of job content.
 - The survey questionnaire also included questions regarding levels of fringe benefits, to provide a framework for assessing overall competitiveness of compensation levels.

-----DETERMINING EXTERNAL COMPETITIVENESS (Cont'd)-----

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 - o Data not clearly reported or otherwise questionable were clarified by contact with respondents; information which was not comparable was excluded from the analysis.
- Competitive salary rates were determined for each salary grade in the six pay plans.
 - To accomplish this, salary trend lines were developed for each pay plan by market and overall.
 - o The trend lines represent the median of prevailing salary levels in each relevant labor market.
- Exhibit III-2 shows the markets that were surveyed for the six pay plans.

State Of Maryland

SURVEY PARTICIPANTSStates

Connecticut
 Delaware
 Florida
 Georgia
 Illinois
 Indiana
 Louisiana
 Michigan
 New Jersey
 New York
 North Carolina
 Ohio
 Pennsylvania
 South Carolina
 Tennessee
 Virginia
 West Virginia
 Wisconsin

Federal Agencies

Aberdeen Proving Grounds
 Social Security
 Administration

Local GovernmentsCities

Baltimore
 Cambridge
 Cumberland
 District of Columbia
 Frederick
 Rockville
 Salisbury
 Wilmington (Delaware)

Counties

Anne Arundel
 Arlington (Virginia)
 Baltimore
 Caroline
 Fairfax (Virginia)
 Howard
 Montgomery
 Prince George's
 St. Mary's
 Washington
 Wicomico

Private Companies

Baltimore Gas and Electric
 Company
 Bendix Field Engineering
 Corporation
 Bureau of National Affairs
 Dresser Industries, Inc.
 Government Employees Insurance
 Company
 Fairchild Industries, Inc.
 Perdue, Incorporated
 Tracor
 Westinghouse Electric
 Corporation
 Vitro Laboratories, Inc.

Hospitals

Franklin Square Hospital
 Holy Cross Hospital Of
 Silver Spring
 John Hopkins Hospital
 Memorial Hospital At Easton
 Mercy Hospital
 Prince George's General
 Hospital And Medical Center

State Of Maryland
MARKETS SURVEYED FOR
EACH PAY PLAN

<u>Pay Plan</u>	<u>State Government</u>	<u>Local Government</u>	<u>Federal Agency</u>	<u>Local Hospital</u>	<u>Private Company</u>
Clerical And Technical		X	X	X	X
Executive	X	X			X
Physician	X				
Professional And Managerial	X	X	X	X	X
Public Safety	X	X			
Trades And Labor		X		X	X

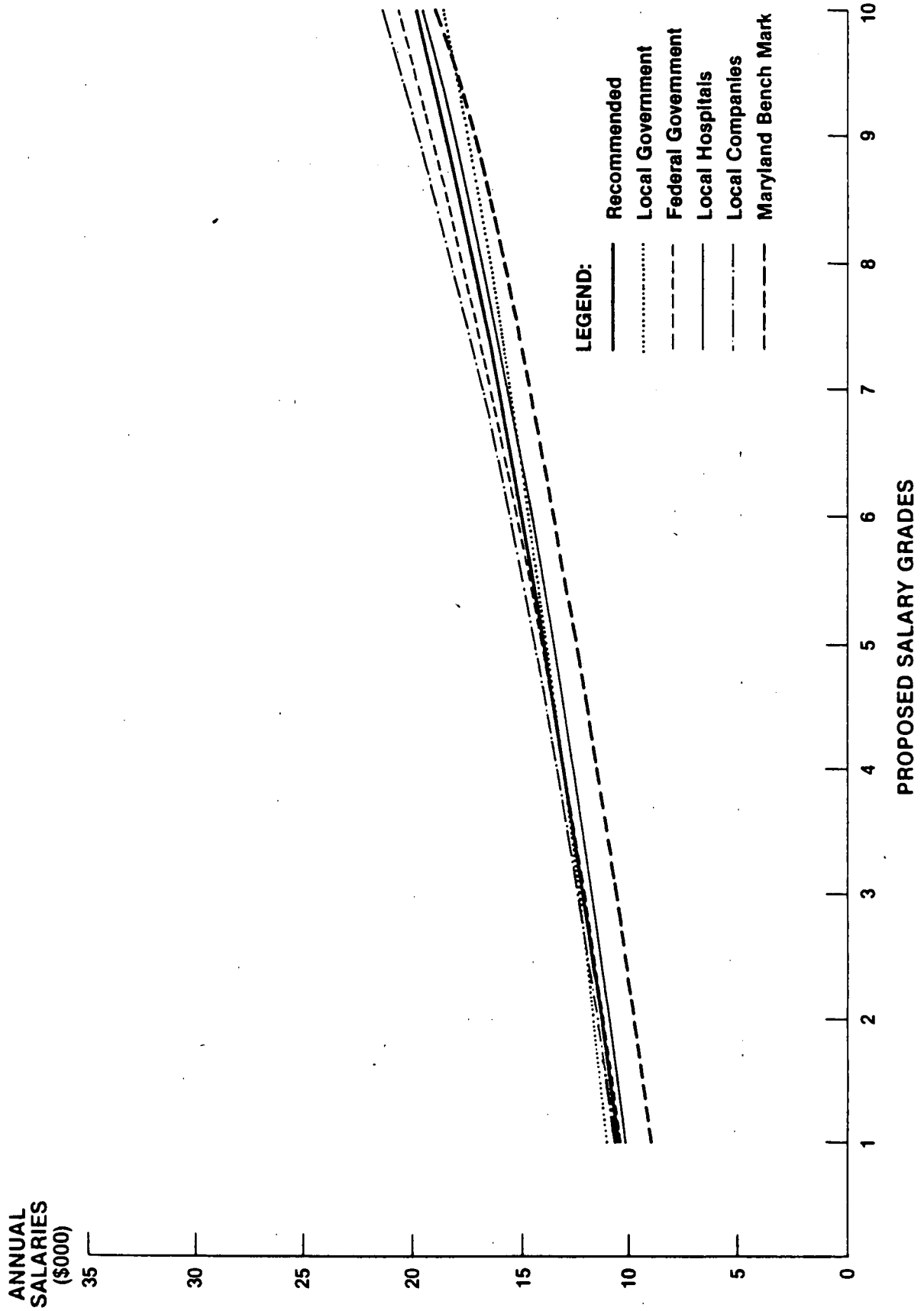
-----DETERMINING EXTERNAL COMPETITIVENESS (Cont'd)-----

- The Clerical and Technical Pay Plan is based on the survey of local governments, local federal agencies, local hospitals, and local private companies.
 - The Executive Pay Plan is based on the survey of other state governments, large local governments, and local private companies.
 - The Physician Pay Plan is based on the survey of selected state governments supplemented by appropriate surveys on physician compensation.
 - The Professional and Managerial Pay Plan is based on the survey of other state governments, local governments, federal agencies, local hospitals, and private companies.
 - The Public Safety Pay Plan is based on the survey of other state governments and local governments.
 - The Trades and Labor Pay Plan is based on the survey of local governments, local hospitals, and local private companies.
- The development of the six pay plans is discussed in the following paragraphs.

CLERICAL AND
TECHNICAL
PAY PLAN

- Exhibit III-3, following this page, presents the overall results of the survey of clerical and technical classes.
 - The vertical axis measures annual salary levels and the horizontal axis shows proposed clerical and technical salary grades 1 through 10.
- As shown in Exhibit III-3, the State of Maryland clerical and technical bench-mark salaries generally fall below those of other organizations surveyed by varying percentages.
 - Local government salaries average 8 per cent to 10 per cent more than those of Maryland.
 - Federal agency salaries average approximately 12 per cent more than those of Maryland.

STATE OF MARYLAND
COMPARATIVE SALARY TREND LINES
CLERICAL AND TECHNICAL PAY PLAN



-----DETERMINING EXTERNAL COMPETITIVENESS (Cont'd)-----

- Local hospital salaries average approximately 8 per cent to 9 per cent above those of Maryland.
- Local private-sector salaries average approximately 15 per cent more than those of Maryland.
- Overall, the average of all these market salaries is approximately 10 per cent to 12 per cent more than that of Maryland.
- Exhibit III-4, on the following page, presents the recommended salary ranges for the Clerical and Technical Pay Plan.
 - The recommended salary trend line shown in Exhibit III-3, represents the midpoints for the recommended salary ranges.
 - The characteristics of the proposed salary ranges will be discussed later in this chapter.

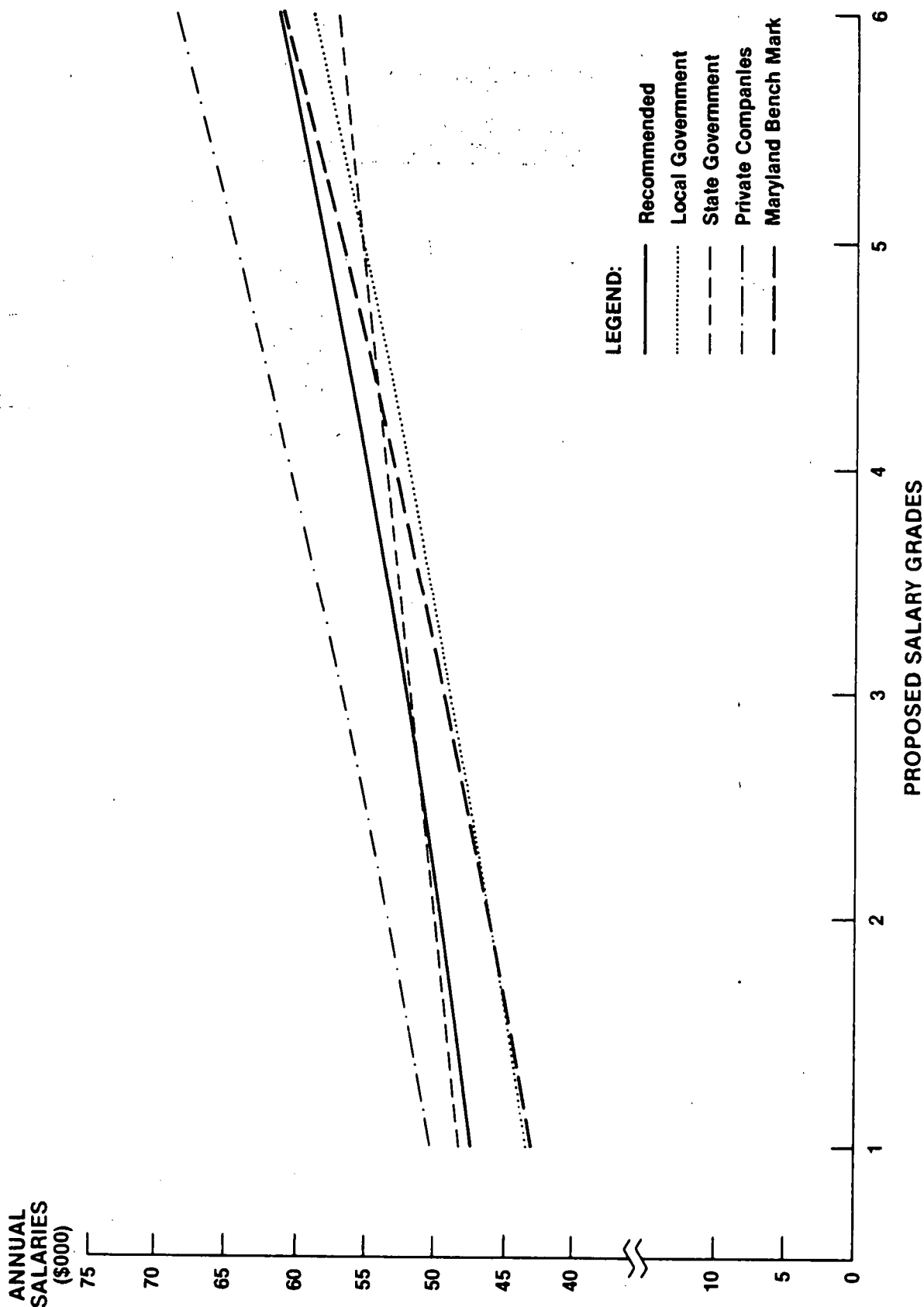
EXECUTIVE
PAY PLAN

- Exhibit III-5 presents the salary trend lines developed for the Executive Pay Plan.
 - The vertical axis measures annual salary levels and the horizontal axis shows the proposed executive pay grades 1 through 6.
- As shown in Exhibit III-5, the State of Maryland salary levels fall below those of the other organizations surveyed by varying percentages.
 - Other state salaries are somewhat below Maryland bench-mark salaries at higher levels.
 - Local government salaries average 2 per cent to 3 per cent more than those of Maryland.
 - Private-sector salaries also average approximately 15 per cent more than those of Maryland.
- On average, state executive salaries are 6 per cent to 7 per cent below the total market for similar bench-mark classes.
- Exhibit III-6 presents the recommended salary ranges for the Executive Pay Plan.

State Of Maryland
 CLERICAL AND TECHNICAL PAY PLAN
RECOMMENDED SALARY RANGES

<u>Grade</u>	<u>Salary Range</u>		
	<u>Minimum</u>	<u>Midpoint</u>	<u>Maximum</u>
10	\$16,920	\$20,300	\$23,690
9	15,730	18,870	22,020
8	14,630	17,550	20,480
7	13,590	16,310	19,030
6	12,640	15,170	17,700
5	11,750	14,100	16,450
4	10,930	13,110	15,300
3	10,160	12,190	14,220
2	9,470	11,360	13,260
1	8,780	10,540	12,290

STATE OF MARYLAND
COMPARATIVE SALARY TREND LINES
EXECUTIVE PAY PLAN



State Of Maryland
EXECUTIVE PAY PLAN
RECOMMENDED SALARY RANGES

<u>Grade</u>	<u>Salary Range</u>		
	<u>Minimum</u>	<u>Midpoint</u>	<u>Maximum</u>
6	\$49,250	\$61,600	\$73,850
5	46,750	58,450	70,150
4	44,350	55,450	66,550
3	42,050	52,550	63,050
2	39,850	49,850	59,750
1	37,850	47,350	56,750

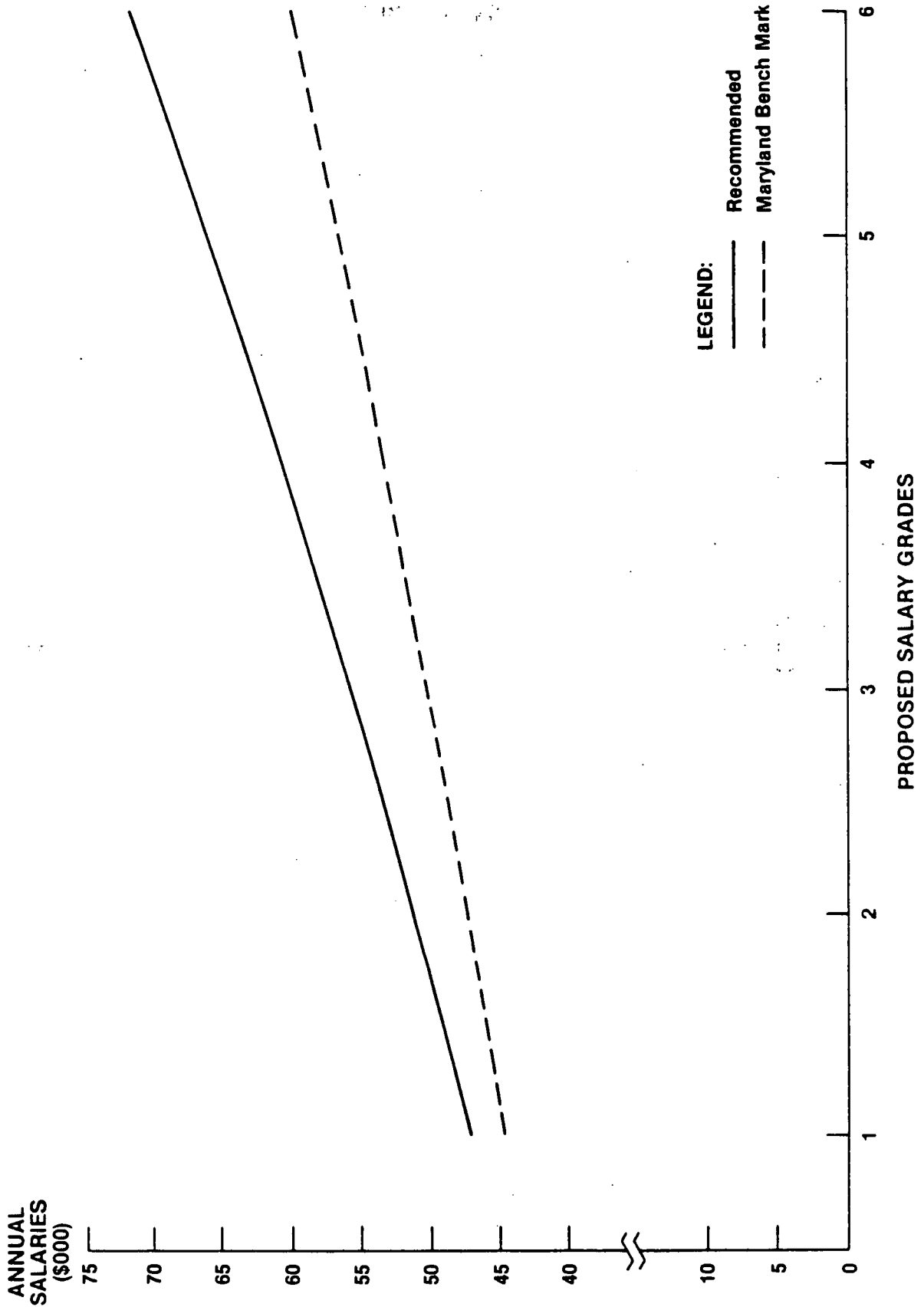
PHYSICIAN
PAY PLAN:

- Exhibit III-7, following this page, presents the overall results of the survey of physician classes in selected state governments (the recommended salary trend line.)
 - The vertical axis measures annual salary levels and the horizontal axis shows proposed physician salary grades 1 through 6.
- As shown in the exhibit, the State of Maryland physician salaries fall below those of selected states by an average of 12 per cent to 15 per cent.
- Exhibit III-8 presents the recommended salary ranges for the Physician Pay Plan.

PROFESSIONAL AND
MANAGERIAL PAY PLAN

- Exhibit III-9 presents the overall results of the survey of professional and managerial classes for the proposed 14 grade structures.
- As shown in the Exhibit III-9, the State of Maryland bench-mark salaries fall below those of other organizations surveyed by varying percentages.
 - Other state salaries are slightly below Maryland bench marks.
 - Local government salaries average 10 per cent to 15 per cent more than those of Maryland, but fall slightly below at higher grades.
 - Federal agencies' salaries average approximately 40 per cent more than those of Maryland.
 - Local hospital salaries average approximately 5 per cent below those of Maryland bench marks.
 - Private-sector salaries average approximately 25 per cent more than those of Maryland.
- Overall, Maryland's professional and managerial salaries are 15 per cent below the market for similar bench-mark classes in the five market areas.

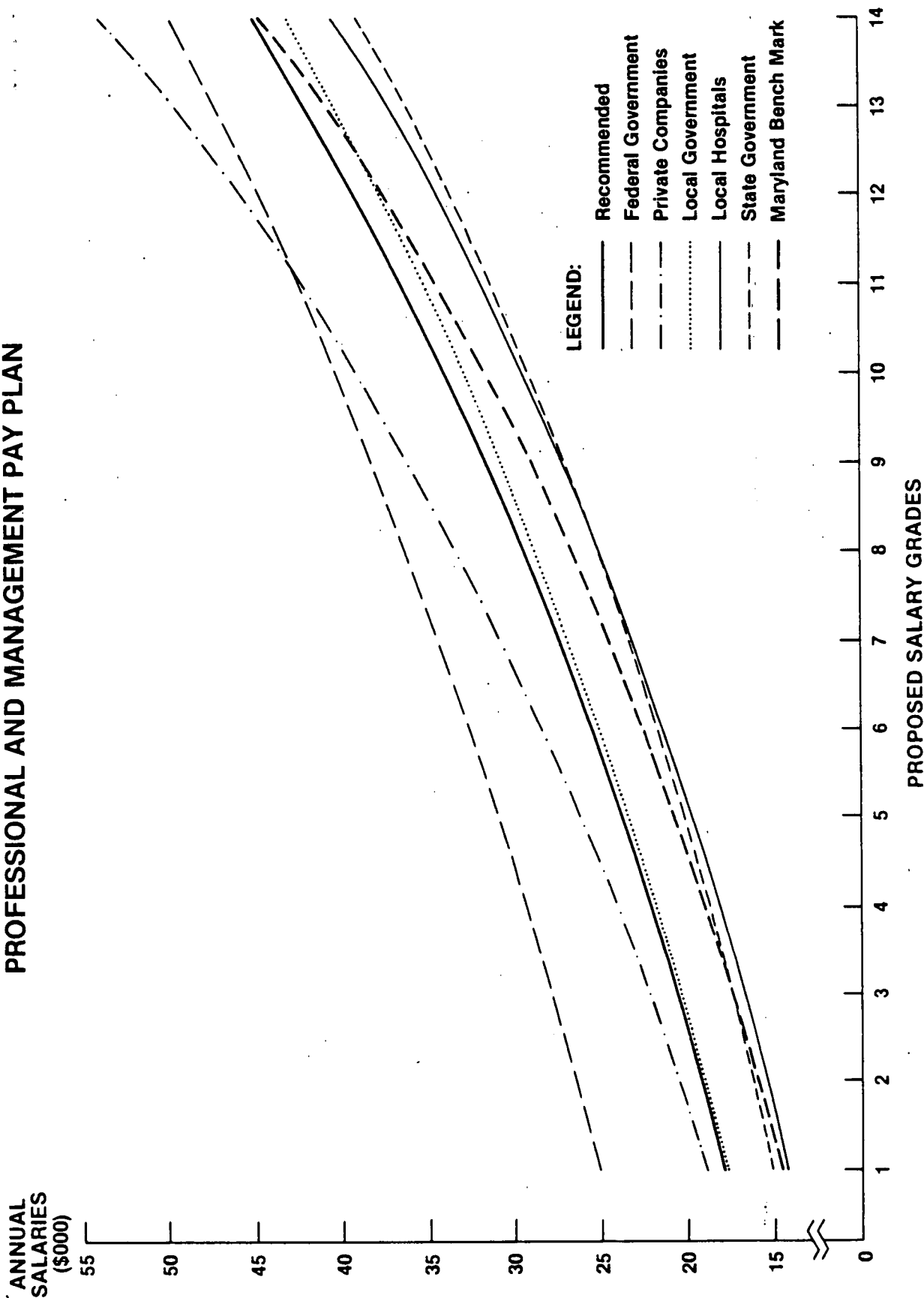
STATE OF MARYLAND
COMPARATIVE SALARY TREND LINES
PHYSICIAN PAY PLAN



State Of Maryland
PHYSICIAN PAY PLAN
RECOMMENDED SALARY RANGES

<u>Grade</u>	<u>Salary Range</u>		
	<u>Minimum</u>	<u>Midpoint</u>	<u>Maximum</u>
6	\$57,550	\$71,950	\$86,350
5	52,850	66,100	79,250
4	48,550	60,700	72,850
3	44,600	55,750	66,900
2	40,950	51,200	61,450
1	37,650	47,050	56,450

STATE OF MARYLAND
COMPARATIVE SALARY TREND LINES
PROFESSIONAL AND MANAGEMENT PAY PLAN



_____ DETERMINING EXTERNAL COMPETITIVENESS (Cont'd) _____

- Exhibit III-10 presents the recommended salary ranges for the Professional and Managerial Pay Plan.

PUBLIC SAFETY
PAY PLAN

- Exhibit III-11 presents the overall results of the survey of public safety bench-mark classes for the proposed 14 grade structure.
- As shown in Exhibit III-11, the State of Maryland public safety bench-mark salaries are above those of local government and state governments surveyed for these positions.
 - Other state salaries average 7 per cent to 10 per cent less than those of Maryland bench marks.
 - Local government salaries average 10 per cent to 15 per cent below those of Maryland at the lower grades and 10 per cent above at the highest grades.
- Overall, public safety salaries are approximately 10 per cent above those of the combined state and local government salary trend lines.
- Exhibit III-12 presents the recommended salary ranges for the Public Safety Pay Plan.

TRADES AND
LABOR PAY PLAN

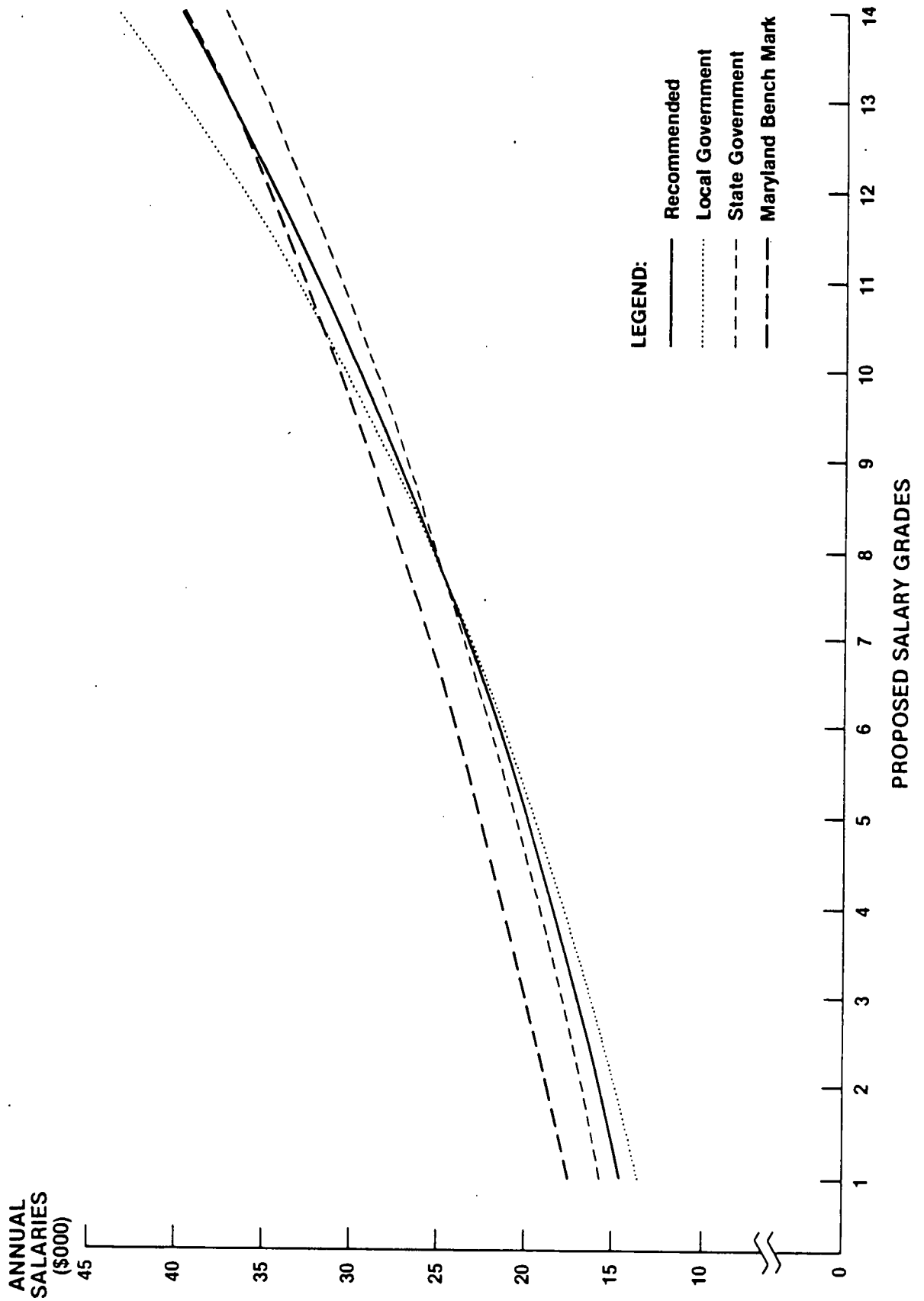
- Exhibit III-13 presents the overall results of the survey of trades and labor bench-mark classes for proposed grades 1 through 8.
- As shown in Exhibit III-13, the State of Maryland's bench-mark salaries fell below local governments, local private companies, and local hospitals by varying percentages.
 - Local government salaries average 15 per cent more than those of Maryland.
 - Local hospital salaries average approximately 10 per cent to 20 per cent above those of Maryland.
 - Local private-sector salaries also average approximately 25 per cent more than those of Maryland.

State Of Maryland

PROFESSIONAL AND MANAGERIAL PAY PLAN
RECOMMENDED SALARY RANGES

<u>Grade</u>	<u>Salary Range</u>		
	<u>Minimum</u>	<u>Midpoint</u>	<u>Maximum</u>
14	\$36,000	\$45,000	\$54,000
13	33,500	41,900	50,250
12	31,250	39,050	46,850
11	29,050	36,350	43,550
10	27,050	33,850	40,550
9	25,250	31,550	37,850
8	23,450	29,350	35,150
7	21,850	27,350	32,750
6	20,350	25,450	30,550
5	19,000	23,750	28,500
4	17,650	22,050	26,450
3	16,450	20,550	24,650
2	15,300	19,150	22,950
1	14,250	17,850	21,350

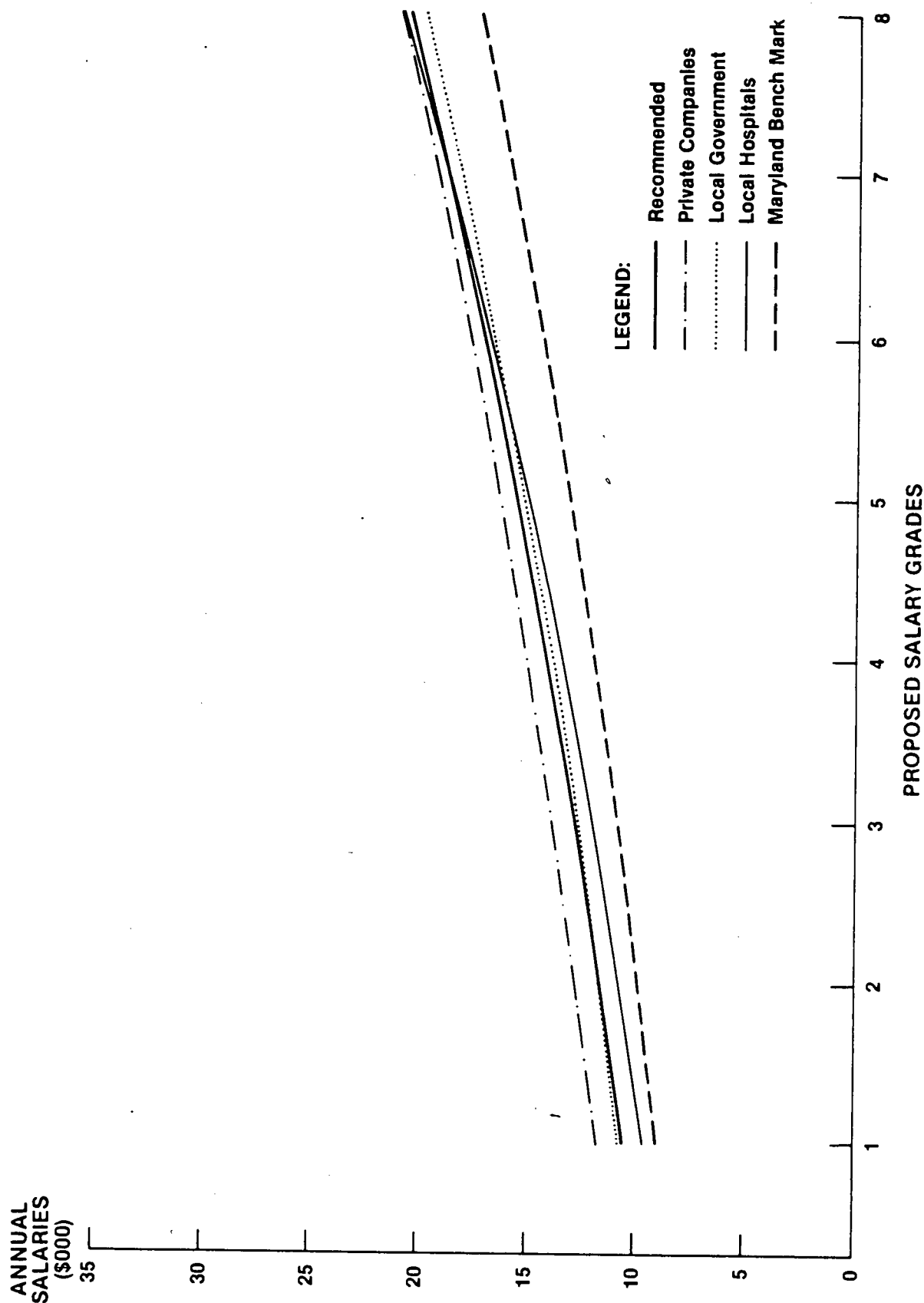
STATE OF MARYLAND
COMPARATIVE SALARY TREND LINES
PUBLIC SAFETY PAY PLAN



State Of Maryland
PUBLIC SAFETY PAY PLAN
RECOMMENDED SALARY RANGES

<u>Grade</u>	<u>Salary Range</u>		
	<u>Minimum</u>	<u>Midpoint</u>	<u>Maximum</u>
14	\$33,950	\$40,740	\$47,530
13	31,380	37,660	43,930
12	29,020	34,820	40,630
11	26,830	32,190	37,560
10	24,800	29,760	34,720
9	22,930	27,510	32,100
8	21,190	25,430	29,670
7	19,590	23,510	27,430
6	18,120	21,740	25,370
5	16,750	20,100	23,450
4	15,480	18,580	21,670
3	14,310	17,170	20,030
2	13,230	15,880	18,520
1	12,230	14,680	17,120

STATE OF MARYLAND
COMPARATIVE SALARY TREND LINES
TRADES AND LABOR PAY PLAN



—————DETERMINING EXTERNAL COMPETITIVENESS (Cont'd)—————

- Overall, Maryland labor and trade bench-mark salaries are approximately 18 per cent below the combined market for similar bench-mark classes within these grades.
- Exhibit III-14 presents the recommended salary ranges for the Trades And Labor Pay Plan.

PROPOSED

SALARY RANGE

CHARACTERISTICS

- The six proposed pay plans have salary range characteristics that are substantially different from current pay plans.
 - The characteristics of the ranges are:
 - Location of range midpoint
 - Range depth
 - Range form.
- Exhibit III-15 presents the range characteristics of Maryland's current pay plan.
 - The location of range midpoint (related to prevailing market salaries) has not been specified.
 - Generally State salary midpoints have fallen behind the market as shown in this chapter.
 - The range depth (percentage differential between range minimum and range maximum) is 30 per cent.
 - The range form is an increment or step-based plan
 - Increment plans typically provide for uniform pay adjustments from range minimum to range maximum.
 - Increments are denied only in those instances of unsatisfactory performance.
- Exhibit III-16 presents the proposed range characteristics for the six pay plans.

State Of Maryland
TRADES AND LABOR PAY PLAN
RECOMMENDED SALARY RANGES

<u>Grade</u>	<u>Salary Range</u>		
	<u>Minimum</u>	<u>Midpoint</u>	<u>Maximum</u>
8	\$17,320	\$20,780	\$24,250
7	15,750	18,900	22,050
6	14,330	17,190	20,060
5	13,030	15,640	18,240
4	11,850	14,220	16,590
3	10,780	12,940	15,090
2	9,810	11,770	13,730
1	8,920	10,700	12,490

State Of Maryland

PRESENT RANGE CHARACTERISTICS

<u>Salary Group</u>	<u>Range Location</u>	<u>Range Depth</u>	<u>Range Form (Step Or Open-Range)</u>
Clerical And Technical	Not specified	30%	Step
Executive	Not specified; no range	Fixed rate	N/A
Professional And Managerial	Not specified	30%	Step
Physician	Not specified	30%	Step
Public Safety	Not specified	30%	Step
Trades And Labor	Not specified	Flat rate or 30%	Step

N/A - not applicable.

State Of Maryland

PROPOSED RANGE CHARACTERISTICS

<u>Salary Plan</u>	<u>Range Location</u>	<u>Range Depth</u>	<u>Range Form (Step Or Open-Range)</u>
Clerical And Technical	Range midpoints at market rates	40%	Step
Executive	Range midpoints at market rates	50%	Open range
Professional And Managerial	Range midpoints at market rates	50%	Open range
Physician	Range midpoints at market rates	50%	Open range
Public Safety	Range midpoints at market rates	40%	Step
Trades And Labor	Range midpoints at market rates	40%	Step

-----DETERMINING EXTERNAL COMPETITIVENESS (Cont'd)-----

- Regarding location of range midpoint, the Commission's 1981 report specified:
 - "The state should adopt an operating policy of maintaining its compensation range midpoints generally to approximate the median of prevailing compensation levels in private- and public-sector employments. State policy should identify this as a priority in annual budget formulation consistent with this statement of intent."
 - This policy is reflected in the proposed pay plans.
- The range depth should be increased for all six pay plans to provide more opportunity for salary advancement tied to professional development and job performance.
 - The range depth of the Clerical and Technical, Public Safety, and Trades and Labor plans has been increased to 40 per cent.
 - The range depth of the Executive, Professional and Managerial, and Physician pay plans has been increased to 50 per cent.
 - o Range depths of 50 per cent or more are typically found in the private sector for managerial-level positions.
 - o The broader range depth for the higher level pay plans is provided to recognize the wider latitude for improvement generally possible in positions responsible management levels and the impact that effective performance at such levels has on successful operations.
 - o In contrast, the difference between satisfactory and outstanding performance at lower organizational levels does not influence the success or failure of the total organization to nearly the same extent.
- The Clerical and Technical, Trades and Labor, and Public Safety plans should be continued as increment plans.

DETERMINING EXTERNAL COMPETITIVENESS (Cont'd)

- On the other hand, the Executive, Professional and Managerial, and Physician plans should become "open-range" salary plans.
 - This type of salary plan typically provides variable pay increments based on performance level and the position of the employee within the salary range.
 - Private companies typically employ open-range salary plans, particularly for managerial- and professional-level employees.
 - The concept of an open-range salary plan will be discussed more fully in Chapter IV.

FRINGE BENEFITS

- The fringe benefits offered to State of Maryland employees are essentially on a par with those of the surveyed organizations.
 - The life insurance coverage offered to Maryland workers is slightly less than the coverage offered by the other organizations.
 - Accidental health and dismemberment insurance offered while employees are traveling is better than average.
 - While medical insurance (and major medical) coverage is comparable to other organizations, Maryland employees contribute more to the cost of these plans than do employees in most other organizations.
 - The amount of sick leave provided to Maryland employees is generous compared to that of other organizations.
 - Maryland employees receive more holidays and personal leave and their workweek is shorter than that of employees in most of the organizations surveyed.
 - Vacation leave is comparable to other government programs and slightly better than nongovernment programs surveyed.

—————DETERMINING EXTERNAL COMPETITIVENESS (Cont'd)—————

- The retirement/deferred compensation programs are comparable to other surveyed programs.
- On the basis of these findings, the State should consider increasing the workweek to 40 hours.
- More specific details on the fringe benefits provided to Maryland employees and the programs offered by the surveyed organizations are contained in Appendix F to this report.
- Chapter IV of this report describes salary administration, policies, and guidelines recommended for use with these six salary plans.

IV - ADMINISTRATION AND MAINTENANCE

- Evaluation System Maintenance
- Salary Range Updating
- Reconciliation Process
- Clerical and Technical, Public Safety, And Trades And Labor Salary Administration
- Executive, Physician, And Professional And Managerial Salary Administration

ADMINISTRATION AND MAINTENANCE

The effectiveness of the proposed salary plans will depend largely on the manner in which they are administered and maintained. This chapter proposes policies and procedures to maintain the proposed evaluation system, the salary ranges, and the administration of individual salaries. It also contains procedures for resolving incidents in which the job evaluation and market results are inconsistent and may produce recruitment/retention problems. Further, it discusses salary administration policies and procedures for performance appraisal.

EVALUATION SYSTEM MAINTENANCE

- The recommended class evaluations should ensure that the internal pay relationships are equitable within the six pay plans.
 - Over time, the duties and responsibilities of positions will change and new jobs will be created that would affect the internal alignment of classes.
- All newly established positions (and positions that undergo substantial changes in duties and responsibilities) should be reevaluated using the evaluation process described in Chapter II.
 - When a new employee is a replacement for an employee in an existing class or performs the duties of a replaced employee, the new employee should be assigned to the same class as the replaced employee.
 - When a new employee is to be assigned to a new class or if the duties and responsibilities of an incumbent have changed substantially, the employee (and/or supervisor of the new class) should complete a position description questionnaire.
- The questionnaire should be reviewed and approved by the relevant department and sent to the Department of Personnel for classification, evaluation, and salary grade assignment within the appropriate pay plan.
 - If the Department of Personnel determines that the duties and responsibilities of the position are similar to those of an existing position, the employee should be given the class title and salary grade of the existing position.

ADMINISTRATION AND MAINTENANCE (Cont'd)

- o The department and the employee should be notified of the class title and grade.
- If the duties and responsibilities of the position are not similar to those in an existing class, the department should recommend a new class title and prepare a class specification.
 - o The new class title and specification should be reviewed with the Department of Personnel.
- The Department of Personnel staff should then evaluate and rank the class using the method described in Chapter II of this report.
 - o The resulting weighted points for each factor would be totaled to determine the appropriate salary grade.
- The Department of Personnel staff should meet with the department and the employee, as appropriate, to discuss the factor rankings and salary grade approved for the position.

SALARY RANGE
UPDATING

- The salary ranges proposed in this report should be reviewed annually to determine the amount of adjustment, if any, needed to keep the ranges current.
 - Adjustments should be based on the results of new compensation surveys.
 - The surveys should conform to the methods used in this study, including the organizations surveyed and the bench-mark positions covered as described in Chapter II.
 - o The Department of Personnel has received instructions on how to conduct a salary survey and to analyze the survey results.
- If survey results indicate that prevailing competitive salaries have risen more than 5 per cent above the mid-point values of any of the six salary structures, corresponding adjustment should be made in the appropriate ranges.

- The adjustments would be made by taking the average of the percentage increase for all of the grades and adding that percentage to each of the grade ranges (for example, the minimums, the steps or quartiles, and the maximums).

RECONCILIATION
PROCESS

- Over time, there may be instances when a class may be evaluated, graded, and assigned to a salary range which is significantly below the prevailing market salaries for comparable jobs.
 - In such an instance, a department may have been unable to fill a vacancy by reasonable effort and diligence at the minimum salary within the grade with a qualified applicant.
 - The Department of Personnel should be authorized to approve employment of the applicant at a higher salary within the designated grade.
 - Approval would be dependent upon documentation of recruitment difficulties.
- In other instances, it may be necessary to approve the employment of applicants (or current employees) at a higher rate than the maximum of the designated grade.
 - Approval also should be dependent upon documentation of recruitment or retention difficulties.
- Under no circumstance, however, should the grade of the evaluated position be adjusted upward because of external market conditions.

CLERICAL AND TECHNICAL,
PUBLIC SAFETY, AND TRADES
AND LABOR SALARY ADMINISTRATION

- As discussed in Chapter III, the Clerical and Technical, Public Safety, and Trades and Labor pay plans are recommended as increment (or step) plans.
 - Exhibit IV-1 through IV-3 presents the proposed salary schedules for the Clerical and Technical, Public Safety, and Trades and Labor pay plans respectively.

State Of Maryland

PROPOSED CLERICAL AND TECHNICAL SALARY SCHEDULE

<u>Grade</u>	<u>Base Step</u>	<u>Step A</u>	<u>Step B</u>	<u>Step C</u>	<u>Step D</u>	<u>Step E</u>	<u>Step F</u>	<u>Step G</u>	<u>Step H</u>
10	\$16,920	\$17,766	\$18,613	\$19,459	\$20,305	\$21,151	\$21,998	\$22,844	\$23,690
9	15,730	16,516	17,303	18,089	18,875	19,661	20,448	21,234	22,020
8	14,630	15,361	16,093	16,824	17,555	18,286	19,018	19,749	20,480
7	13,590	14,270	14,950	15,630	16,310	16,990	17,670	18,350	19,030
6	12,640	13,272	13,905	14,538	15,170	15,802	16,435	17,068	17,700
5	11,750	12,338	12,925	13,512	14,100	14,688	15,275	15,862	16,450
4	10,930	11,476	12,023	12,569	13,115	13,661	14,208	14,754	15,300
3	10,160	10,668	11,175	11,682	12,190	12,698	13,205	13,712	14,220
2	9,470	9,944	10,418	10,891	11,365	11,839	12,313	12,786	13,260
1	8,780	9,219	9,658	10,096	10,535	10,974	11,413	11,851	12,290

State Of Maryland

PROPOSED PUBLIC SAFETY SALARY SCHEDULE

<u>Grade</u>	<u>Base Step</u>	<u>Step A</u>	<u>Step B</u>	<u>Step C</u>	<u>Step D</u>	<u>Step E</u>	<u>Step F</u>	<u>Step G</u>	<u>Step H</u>
14	\$33,950	\$35,648	\$37,345	\$39,042	\$40,740	\$42,438	\$44,135	\$45,832	\$47,530
13	31,380	32,949	34,518	36,086	37,660	39,224	40,792	42,361	43,930
12	29,020	30,471	31,922	33,374	34,820	36,276	37,728	39,179	40,630
11	26,830	28,171	29,512	30,854	32,190	33,536	34,878	36,219	37,560
10	24,800	26,040	27,280	28,520	29,760	31,000	32,240	33,480	34,720
9	22,830	24,076	25,223	26,369	27,510	28,661	29,808	30,954	32,100
8	21,190	22,250	23,310	24,370	25,430	26,490	27,550	28,610	29,670
7	19,590	20,570	21,550	22,530	23,510	24,490	25,470	26,450	27,430
6	18,120	19,026	19,932	20,839	21,745	22,651	23,558	24,464	25,370
5	16,750	17,588	18,425	19,262	20,100	20,938	21,775	22,612	23,450
4	15,480	16,254	17,028	17,801	18,580	19,349	20,122	20,896	21,670
3	14,310	15,025	15,740	16,455	17,170	17,885	18,600	19,315	20,030
2	13,230	13,891	14,552	15,214	15,880	16,536	17,198	17,859	18,520
1	12,230	12,841	13,452	14,064	14,680	15,286	15,898	16,509	17,120

State Of Maryland

PROPOSED TRADES AND LABOR SALARY SCHEDULE

<u>Grade</u>	<u>Base Step</u>	<u>Step A</u>	<u>Step B</u>	<u>Step C</u>	<u>Step D</u>	<u>Step E</u>	<u>Step F</u>	<u>Step G</u>	<u>Step H</u>
8	\$17,320	\$18,186	\$19,053	\$19,919	\$20,785	\$21,651	\$22,518	\$23,384	\$24,250
7	15,750	16,538	17,325	18,112	18,900	19,688	20,475	21,262	22,050
6	14,330	15,046	15,763	16,479	17,195	17,911	18,628	19,344	20,060
5	13,030	13,681	14,333	14,984	15,635	16,286	16,938	17,589	18,240
4	11,850	12,442	13,035	13,628	14,220	14,812	15,405	15,998	16,590
3	10,780	11,319	11,858	12,396	12,935	13,474	14,013	14,551	15,090
2	9,810	10,300	10,790	11,280	11,770	12,260	12,750	13,240	13,730
1	8,920	9,366	9,813	10,259	10,705	11,151	11,598	12,044	12,490

ADMINISTRATION AND MAINTENANCE (Cont'd)

- The ranges of each pay plan have been divided into eight equal increments, or two more increments than present pay schedules.
 - o The additional two increments are to accommodate the broader range depth of 40 per cent in each of these plans.

Hiring Rates

- New employees should normally be hired at the minimum increment (Base Step) of the appropriate range for his/her position.
- Hiring rates may be established at Step A or above in coordination with the Department of Personnel upon recommendation of the appointing authority when a department is unable to fill a vacancy.

Merit Increases

- Employee performance should be formally appraised, based on established standards of performance, by his or her supervisor, at least annually, and the appraisal should be discussed with the employee.
 - The primary objective of a performance appraisal system is to help an employee's performance on the job, but it should also be an essential consideration for salary increases, promotions, and other personnel actions.
- Employees whose performance is satisfactory or better should be granted an increase to the next step on an annual basis.
 - Employees may be eligible for subsequent increases based on adjustments to ranges due to competitive salary surveys.
- Scheduled (merit) increases for an employee whose performance is less than satisfactory should be denied.

Promotional Increases

- An employee promoted from one position to another in a higher salary grade should be granted a promotional increase at the time of the promotion in recognition of

his or her achievement and assumption of higher level duties and responsibilities.

- Employees should be moved to the step in the new range that results in an increase of at least 6 per cent but not to exceed the maximum of the new range.
 - If the ranges of the old and new positions do not overlap, employees should be moved to the minimum step of the new range if that will result in an increase of at least 6 per cent or to the next highest step needed to result in an increase of at least 6 per cent.

EXECUTIVE, PHYSICIAN, AND
PROFESSIONAL AND MANAGERIAL
SALARY ADMINISTRATION

- As proposed in Chapter III, the Executive, Physician, and Professional and Managerial pay plans are recommended as open-range salary schedules.
 - Exhibit IV-4 through IV-6 presents the proposed salary schedules for the Executive, Physician, and Professional and Managerial pay plans respectively.
 - The ranges of each pay plan have been divided into four equal segments (or quartiles).
- The process for administering salaries within these quartiles is discussed in the following sections.

Hiring Rates

- Hiring rates should normally be set at any value within the first quartile of the range.
- Hiring rates may be established at a higher quartile when a department has been unable to fill a vacancy with a qualified applicant by reasonable effort and diligence.
 - In these instances, the Department of Personnel, upon recommendation of the appointing authority, is authorized to approve the employment of applicants at a higher salary rate (beyond the first quartile) of the designated grade.

State Of Maryland

PROPOSED EXECUTIVE SALARY SCHEDULE

<u>Grade</u>	<u>First Quartile</u> <u>Minimum</u> <u>1/4</u>	<u>Second Quartile</u> <u>1/2</u>	<u>Third Quartile</u> <u>3/4</u>	<u>Fourth Quartile</u> <u>Maximum</u>
6	\$49,250 - \$55,400	\$55,401 - \$61,550	\$61,551 - \$67,700	\$67,701 - \$73,850
5	46,750 - 52,600	52,601 - 58,450	58,451 - 64,300	64,301 - 70,150
4	44,350 - 49,900	49,901 - 55,450	55,451 - 61,000	61,001 - 66,550
3	42,050 - 47,300	47,301 - 52,550	52,551 - 57,800	57,801 - 63,050
2	39,850 - 44,825	44,826 - 49,800	49,801 - 54,775	54,776 - 59,750
1	37,850 - 42,575	42,576 - 47,300	47,301 - 52,025	52,026 - 56,750

State Of Maryland

PROPOSED PHYSICIAN SALARY SCHEDULE

<u>Grade</u>	<u>First Quartile</u> <u>Minimum</u> <u>1/4</u>	<u>Second Quartile</u> <u>1/4</u> <u>1/2</u>	<u>Third Quartile</u> <u>1/2</u> <u>3/4</u>	<u>Fourth Quartile</u> <u>3/4</u> <u>Maximum</u>
6	\$57,550 - \$64,750	\$64,751 - \$71,950	\$71,951 - \$79,150	\$79,151 - \$86,350
5	52,850 - 59,450	59,451 - 66,050	66,051 - 72,650	72,651 - 79,250
4	48,550 - 54,625	54,626 - 60,700	60,701 - 66,775	66,776 - 72,850
3	44,600 - 50,175	50,176 - 55,750	55,751 - 61,325	61,326 - 66,900
2	40,950 - 46,075	46,076 - 51,200	51,201 - 56,325	56,326 - 61,450
1	37,650 - 42,350	42,351 - 47,050	47,051 - 51,750	51,751 - 56,450

State Of Maryland

PROPOSED PROFESSIONAL AND MANAGERIAL SALARY SCHEDULE

Grade	First Quartile		Second Quartile		Third Quartile		Fourth Quartile	
	Minimum	<u>1/4</u>	<u>1/4</u>	<u>1/2</u>	<u>1/2</u>	<u>3/4</u>	<u>3/4</u>	Maximum
14	\$36,000	- \$40,500	\$40,501	- \$45,000	\$45,001	- \$49,500	\$49,501	- \$54,000
13	33,500	- 37,688	37,689	- 41,875	41,876	- 46,063	46,064	- 50,250
12	31,250	- 35,150	35,151	- 39,050	39,051	- 42,950	42,951	- 46,850
11	29,050	- 32,675	32,676	- 36,300	36,301	- 39,925	39,926	- 43,550
10	27,050	- 30,425	30,426	- 33,800	33,801	- 37,175	37,176	- 40,550
9	25,250	- 28,400	28,401	- 31,550	31,551	- 34,700	34,701	- 37,850
8	23,450	- 26,375	26,376	- 29,300	29,301	- 32,225	32,226	- 35,150
7	21,850	- 24,575	24,576	- 27,300	27,301	- 30,025	30,026	- 32,750
6	20,350	- 22,900	22,901	- 25,450	25,451	- 28,000	28,001	- 30,550
5	19,000	- 21,375	21,376	- 23,750	23,751	- 26,125	26,126	- 28,500
4	17,650	- 19,850	19,851	- 22,050	22,051	- 24,250	24,251	- 26,450
3	16,450	- 18,500	18,501	- 20,550	20,551	- 22,600	22,601	- 24,650
2	15,300	- 17,213	17,214	- 19,125	19,126	- 21,038	21,039	- 22,950
1	14,250	- 16,025	16,026	- 17,800	17,801	- 19,575	19,576	- 21,350

Merit Increases

- Merit increases should be made based on the following considerations:
 - An appraisal of the employee's performance against preestablished standards
 - The position of the employee's salary within the applicable range.
- Exhibit IV-7 sets forth illustrative guidelines for annual merit adjustments for these three pay plans.
 - This example illustrates the merit adjustment guidelines that should be established at the beginning of each year.

Promotional Increases

- The size of the promotional increase should be related to the location of the employee's current salary and the proposed salary range as illustrated below:

<u>Employee's Salary In Proposed Range</u>	<u>Illustration Of The Sizes Of The Promotional Increase</u>
Below minimum	12 per cent or to the minimum of new range, whichever is greater
First and second quartile	8 per cent to 12 per cent
Third quartile	6 per cent to 8 per cent
Fourth quartile	6 per cent, or to maximum of new range, whichever is less

State Of Maryland

ILLUSTRATION OF OPEN-RANGE
APPROACH TO MERIT ADJUSTMENT

<u>Performance Level(a)</u>	<u>First And Second Quartile</u>	<u>Third Quartile</u>	<u>Fourth Quartile</u>
Always Exceeds Standards	8% - 10%	6% - 8%	4% - 6%
Typically Exceeds Standards	6% - 8%	4% - 6%	3% - 5%
Typically Meets Standards	4% - 6%	3% - 5%	2% - 4%
Rarely Meets Standards	2% - 4%(b)	No increase	No increase
Unsatisfactory	No increase	No increase	No increase

(a) Proposed State of Maryland performance appraisal system.

(b) The adjustment should ensure only that the incumbent's salary remains above the minimum of the range.

V - IMPLEMENTATION

- Cost Implications
- Implementation Options
- Next Steps

IMPLEMENTATION

This final chapter summarizes the cost implications of implementing the recommended pay plans, outlines three options for phasing in the recommendations, and presents next steps to ensure that implementation is carried out in an effective manner.

COST IMPLICATIONS

- Exhibit V-1, on the following page, summarizes the costs that would be incurred in implementing the six proposed pay plans.
 - The costs were developed based on comparing actual salaries to the proposed salary ranges for a sample of 36,000 incumbents, or approximately 75 per cent of the total incumbents in the study.
 - o On the basis of the actual costs computed for the sample, a total cost was estimated for the State employees covered by this study.
- As shown in the exhibit, the immediate, or first-year salary cost to implement the six pay plans is \$23.3 million.
 - This total represents the cost to locate incumbent salaries to the nearest higher salary increment (step) within range for the Clerical and Technical, Public Safety, and Trades and Labor pay plans.
 - Also included in the total is the cost of adjusting all incumbents' salaries up to the minimums of the proposed ranges for the Executive, Physician, and Professional and Managerial pay plans.
 - o Because these plans do not have salary steps, the only immediate cost is to ensure that all incumbents salaries are up to the range minimums.
 - This total is \$27 million when adjusted to include incremental fringe benefit costs of 18 per cent.
- The total salary cost of implementing the proposed pay plans is \$111.8 million, which is also detailed in Exhibit V-1.

State Of Maryland
IMPLEMENTATION COSTS(a)
 (000)

<u>Pay Plan</u>	<u>Immediate Salary Cost</u>	<u>Total Salary Cost</u>
Clerical And Technical	\$ 6,835.9	\$ 24,265.7
Executive	7.0	878.2
Physician	4.7	919.9
Professional And Managerial	8,930.7	59,758.3
Public Safety	911.5	911.5
Trades And Labor	<u>6,573.7</u>	<u>25,085.3</u>
	\$23,263.5	\$111,818.9

(a) These expenditures do not include any incremental fringe benefit costs, which are estimated to be 18 per cent of salary cost.

IMPLEMENTATION (Cont'd)

- This total represents the cost of bringing all incumbent salaries up to range midpoints, to be competitive with market salaries.
 - o As discussed in Chapter III, the range midpoints represent market surveyed salaries.
- The total is increased to \$135 million when adjusted for incremental fringe benefit costs.

IMPLEMENTATION OPTIONS

- Three options have been identified by the Commission for implementing the proposed pay plans:
 - The first option is to implement the entire program in one year, or by July 1983.
 - The second option is to phase the program in over three years, or by July 1985.
 - The third option is to phase the program in over a five-year period, or by July 1987.
- As noted previously, the total cost to implement the proposed pay plans in one, three, or five years would be \$135 million (in 1982 dollars) under any of the three options.
- It is recommended that the program be phased in as follows:
 - During the first year, all incumbents should receive an appropriate adjustment to bring their salary up to range minimums (and on to the nearest higher salary step for the three increment pay plans.)
 - o Employees should also receive the appropriate merit adjustment according to the guidelines specified in Chapter IV of this report.
 - Thereafter, employees salaries should be adjusted according to the merit and salary range adjustment guidelines specified in Chapter IV.
- On the basis of these recommendations, it is anticipated that current incumbents would be at midpoint (market) levels within three to five years.

IMPLEMENTATION (Cont'd)

NEXT
STEPS

The actions that should be taken upon receipt of this report are detailed below.

1. The Commission should review the draft report in detail. The Commission should consider the implications of the recommendations proposed herein. Any questions regarding the report or its recommendations should be discussed with the consultants.

2. The Commission should approve the final report in principle. Approval of this report in principle means acceptance of its overall intent, even though there might not be total agreement with each individual recommendation. The report should be forwarded to the Governor and the Legislature for their review.

3. The report should then be disseminated among departments and agency managements, State employees, and interested parties. The two volumes of the report should be made available to department and agency management. In addition, copies of the report should be made available to individual employees and other interested parties at each major work location throughout the State.

4. The Department of Personnel should carefully review the proposed classifications. Recognizing that individual employees may have been reclassified during the study, the Department of Personnel should review the proposed classifications to ensure that they are still valid. The Department of Personnel should obtain position questionnaires from newly appointed employees and any employees who did not submit questionnaires and were not interviewed during the study. These positions should then be classified and evaluated based on the completed questionnaires following the procedures outlined in Chapter II of this report. Further, the Department of Personnel should review the proposed class specifications and make refinements as necessary.

APPENDIX A
POSITION QUESTIONNAIRE

TO: All State Employees

FROM: Cresap, McCormick and Paget Inc.

DATE: November 23, 1981

SUBJECT: Compensation Study

As you are probably aware, a special Commission on Compensation and Personnel Policies appointed by the Governor has recommended that a comprehensive and modern compensation system be developed for the State of Maryland. Cresap, McCormick and Paget Inc. (CMP) has been retained to develop the compensation system for the State.

To accomplish this project, we will be analyzing the actual responsibilities and duties you perform in your respective positions. Accordingly, we ask each of you to complete the attached position questionnaire. The questionnaire has been specifically designed and tested to obtain comprehensive and relevant information about your actual responsibilities, duties, and other significant aspects of your work.

Please read the entire questionnaire carefully before completing any section. If you have questions on any part, please attempt to resolve these with your immediate supervisor or your agency personnel representative. If you still have questions, please call Rebecca Ford or Patricia McGinnis of CMP at (202) 463-2800. Reasonable time will be allowed for you to complete the questionnaire during work hours.

We request that you complete Part I of the questionnaire and submit it to your immediate supervisor by November 30, 1981. Supervisors should review and comment on the questionnaires (but without changing any employee responses in Part I), complete Part II, and forward the entire completed questionnaires to their Agency Coordinators by December 4, 1981. Agency Coordinators should then forward all questionnaires to the Department of Personnel, Room 603, 301 W. Preston Street, Baltimore, Maryland 21201.

In closing, we need your individual participation and cooperation in meeting the above deadlines to make the study a success.

PART I - Continued

[illegible]

PART I - Continued

Impact: Please describe the impact that your position can have on the performance of your organizational Unit, Bureau, and Department. In what way, specifically, can your own performance of the duties and responsibilities of your position increase the level and effectiveness of State services, reduce or control costs, and/or prevent losses?

What kind of errors can occur in your position? _____

What are the probable results of such errors? _____

What supervisory and procedural safeguards are used to prevent or diminish such errors? _____

Relationships: Indicate the types of people inside or outside of the State organization you contact regularly as part of your responsibilities. Exclude your supervisor and employees you may supervise.

Regular Dealings With:	Subject Matter:	Frequency:

PART I - Continued

Supervisory Responsibility: List the position titles you supervise and the number of employees. (Please distinguish between full-time and part-time, temporary or seasonal employees as well as trainees such as interns and students.)			
Official Class Title	Number Of Employees	Official Class Title	Number Of Employees

Working Conditions: Indicate any significant factors which describe the conditions and hazards associated with your position. _____

What are the possible consequences of these conditions and/or hazards to you on the job? _____

Comments: List any additional information you feel would be helpful in understanding and evaluating your position. Use extra sheets, if necessary, but be sure to write your name on the sheets and staple them to this questionnaire. _____

Do not complete Part II of this form. Please sign this form and forward it to your supervisor for completion.

Signature _____ Date _____

PART II - To Be Completed By Supervisor

COMPLETION INSTRUCTIONS

This section is to be completed by the immediate supervisor. It should contain the best estimate of the minimum amount of knowledge, training, experience, and special attributes needed to qualify a person to fill the position. This estimate should be made by considering what qualifications would be the minimum acceptable for satisfactory performance if the position were vacant and it were necessary to select an individual to fill it.

A. MINIMUM GENERAL EDUCATION

Indicate the level of education that a person would be expected to have in order to qualify for the position. This education can be acquired through home study, special courses, or in ways other than the usual academic processes. The level required, however, should be expressed in terms of years of academic study and degree in order to provide a uniform basis for analysis. (If education beyond the minimum required is considered desirable but not essential, enter the additional amount, but indicate that it is not part of the basic requirement.)

B. SPECIALIZED EDUCATION OR TRAINING

Identify required special courses covered during formal education, as well as through additional specialized training, that are considered essential to qualify for the position.

C. MINIMUM PREVIOUS WORK EXPERIENCE

Identify the occupations or fields of specialization in which experience is needed in order to qualify an individual for the position. Also enter the minimum desirable amount of such experience, expressed in years.

D. TYPICAL LINE OF PROGRESSION

Indicate positions typically held before promotion to this position.

E. SPECIAL KNOWLEDGE OR ATTRIBUTES REQUIRED

Indicate any special knowledge, such as fluency in a foreign language, or attributes, such as the ability to communicate effectively with the public, which are required for this position.

F. SUPERVISOR'S COMMENTS

Upon completion of the "qualifications" section of the questionnaire, add any additional information considered pertinent and any exceptions to statements made by the employee. The statements as entered by the employee are not to be altered. The questionnaire should then be signed, dated, and forwarded through your Agency Coordinator to the Department of Personnel, Room 603, 301 W. Preston Street, Baltimore, Maryland 21201.

Qualifications Required: Base your comments on the assumption that the position is vacant and it is necessary to select an individual to fill it.

A. Minimum General Education

B. Specialized Training Programs

0

C. Minimum Previous Work Experience

Kind Of Experience

Number Of
Years

D. Typical Line Of Progression: Positions typically held prior to this position.

Prior Positions

Number Of
Years

E. Special Knowledge Or Attributes Needed

F. Supervisor's Comments:

Immediate Supervisor's Signature _____ Date _____

Immediate Supervisor's Title _____

APPENDIX B
CLERICAL AND TECHNICAL EVALUATION PLAN

- Evaluation Factor Definition
- Weighted Factor Values
- Point Structure

CLERICAL AND TECHNICAL EVALUATION PLAN
EVALUATION FACTOR DEFINITIONS

FACTOR I:
KNOWLEDGE AND SKILLS

- The knowledge and skills factor measures the minimum amount of knowledge and skills required for satisfactory performance of the duties of the position.
- Knowledge is viewed as the range of information or understanding of a subject or variety of subjects necessary to the function.
 - In addition to the measurable amount of knowledge, consideration is given to the breadth of knowledge (various types required) and to the depth of knowledge (both extent and detailed understanding of a particular subject).
- Skills to be considered are those needed to apply required knowledge, or natural or developed abilities, to the functions of the position.
 - The types of skills that might be required include:
 - The ability to identify and combine relevant facts objectively and in perspective
 - The ability to define the steps necessary to reach objectives and accomplish a task
 - The ability to use office machines, equipment, and other devices properly in the functions of the position
 - Writing, artistic, and graphics skills.
- Knowledge and skills reflect the cumulative amount of formal and informal education, training, and experience acquired within or outside the organization.

FACTOR II:

DECISIONS AND ACTIONS

- The factor of decisions and actions measures the need for the ability to exercise judgment and to make independent decisions and take action.
- In evaluating positions on this factor, consideration is given to:
 - The extent to which decisions and actions are subject to review by higher authority or are controlled by established policies and procedures
 - The scope of the position in terms of the relative frequency, complexity, and variety of matters on which decisions are required
 - The extent to which decisions and actions can be of influence.

FACTOR III:

RELATIONSHIPS RESPONSIBILITY

- The relationships responsibility factor measures the requirements for the ability to meet and deal with others effectively as indicated by the character, scope, and importance of the relationships that are necessary for satisfactory performance of the duties of the position.
- In measuring the relationships factor, consideration is given to:
 - The type of required dealings with others - for example, whether the matters involved are not complex or controversial, or whether considerable tact, diplomacy, and persuasiveness are necessary to motivate and influence the thoughts and actions of others
 - The working conditions under which these relationships are carried out and the mental and physical demands on the position as a result of these conditions
 - The scope of the relationships - for example, whether they are confined within the department, extend outside the department but remain within State government, or extend outside State government
 - The importance to the State of establishing the relationships and maintaining them effectively.

- The application of this factor excludes consideration of normal relationships with the incumbent's direct supervisory and subordinate chain of command.

State Of Maryland

CLERICAL AND TECHNICAL EVALUATION PLAN
WEIGHTED FACTOR VALUES

<u>Level</u>	<u>Factor I: Knowledge And Skills</u>	<u>Factor II: Decisions And Actions</u>	<u>Factor III: Relationships Responsibility</u>
10	176		
9	153		
8	133	141	
7	116	118	35
6	101	98	29
5	87	82	23
4	76	69	19
3	66	57	15
2	57	48	12
1	50	40	10

State Of Maryland
CLERICAL AND TECHNICAL EVALUTION PLAN
POINT STRUCTURE

<u>Grade</u>	<u>Point Range</u>		<u>Point Spread</u>
	<u>Minimum</u>	<u>Maximum</u>	
10	352		
9	306	351	46
8	266	305	40
7	231	265	35
6	201	230	30
5	175	200	26
4	152	174	23
3	132	151	20
2	115	131	17
1	100	114	15

Note: Point ranges were determined using a progression factor of 1.15 (this is, $100 \times 1.15 = 115$, $115 \times 1.15 = 132$, etc).

APPENDIX C
PROFESSIONAL AND MANAGERIAL EVALUATION PLAN

- **Evaluation Factor Definitions**
- **Weighted Factor Values**
- **Point Structure**

PROFESSIONAL AND MANAGERIAL EVALUATION PLAN
EVALUATION FACTOR DEFINITIONS

FACTOR I:
KNOWLEDGE AND SKILLS

- The factor of knowledge and skills measures the minimum amount of knowledge and skills required for satisfactory performance of the duties of the position.
 - Knowledge and skills reflect the cumulative amount of formal and informal education, training, and experience acquired within or outside the organization.
- Knowledge is viewed as the range of information or understanding of a subject or variety of subjects necessary to the function.
 - In addition to the measurable amount of knowledge, consideration is given to the breadth of knowledge (various types required) and to the depth of knowledge (both extent and detailed understanding of a particular subject).
- Skills to be considered are those needed to apply required knowledge, or developed abilities, to the functions of the position.
- The types of skills that might be required include:
 - The ability to define problems precisely and to identify and combine relevant facts objectively and in perspective
 - The ability to produce new concepts, methods, or programs through imaginative and innovative techniques
 - The ability to project concepts and facts and to define the steps necessary to reach objectives
 - Communications skills
 - Leadership, persuasive, and human relations skills necessary to supervise other employees and to maintain working relationships with others.

- In rating positions on this factor, consideration is given to the complexity and difficulty of the demands on the position and the types of skills and knowledge required to achieve objectives, not just selected credentials (for example, degree, license) that are required for initial entry to the position.

FACTOR II:

IMPACT AND ACCOUNTABILITY

- The impact and accountability factor evaluates the degree to which an incumbent can influence policy development and operations; consideration is given to:
 - The extent of the position's decision-making latitude or authority to act independently, within limitations of supervision and policy, and the effect of possible errors in judgment
 - The opportunity that the responsibilities of the position give to the incumbent to affect or influence results - directly or indirectly - through decisions and actions involving such matters as controlling or reducing costs; protecting, conserving, and increasing physical assets and financial resources; and developing and implementing programs, policies, and plans necessary to achieve State, department, agency, or unit objectives
 - The character and extent of guidance - the form of policies, practices, and procedures or actual supervision that govern the performance of the work versus the amount of independent action, exercise of judgment, decision-making, or planning the job requires without recourse to supervision.
- In evaluating the position's impact on results, primary consideration is given to its direct influence on results.
 - Consideration is also given to the indirect influence that a position can have on results, such as the development of programs or initiation of action ideas that will be carried out by others.

FACTOR III:
RELATIONSHIPS
RESPONSIBILITY

- The relationships responsibility factor measures the requirements for the ability to meet and deal with others effectively, as indicated by the character, scope, and importance of the relationships that are necessary for satisfactory performance of the duties of the position.
- In measuring relationships factor, consideration is given to:
 - The type and frequency of the required dealings with others - that is, whether the matters involved are not complex or controversial, or whether considerable tact, diplomacy, and persuasiveness are necessary to motivate and influence the thoughts and actions of others
 - The working conditions under which these relationships are carried out and the mental and physical demands on the position as a result of these conditions
 - The scope of the relationships - that is, whether they are confined within the department, extend outside the department but remain within the State government, or extend outside State government
 - The importance to the State of establishing relationships and maintaining them effectively.
- The application of this factor excludes consideration of normal relationships with the incumbent's direct supervisory and subordinate chain of command.

State Of Maryland

PROFESSIONAL AND MANAGERIAL EVALUATION PLAN

WEIGHTED FACTOR VALUES

<u>Level</u>	<u>Factor I: Knowledge And Skills</u>	<u>Factor II: Impact And Accountability</u>	<u>Factor III: Relationships Responsibility</u>
14	246		
13	214		
12	186		
11	162	246	
10	141	205	
9	122	171	
8	106	143	123
7	93	119	95
6	80	99	73
5	70	83	56
4	61	69	44
3	53	58	34
2	46	48	26
1	40	40	20

State Of Maryland

PROFESSIONAL AND MANAGERIAL EVALUATION PLAN

POINT STRUCTURE

<u>Grade</u>	<u>Point Range</u>		<u>Point Spread</u>
	<u>Minimum</u>	<u>Maximum</u>	
14	615		
13	535	614	80
12	465	534	70
11	405	464	60
10	352	404	53
9	306	351	46
8	266	305	40
7	231	265	35
6	201	230	30
5	175	200	26
4	152	174	23
3	132	151	20
2	115	131	17
1	100	114	15

Note: Point ranges were determined using a progression factor of 1.15 (that is, $100 \times 1.15 = 115$, $115 \times 1.15 = 132$, etc.).

APPENDIX D

PUBLIC SAFETY EVALUATION PLAN

- Evaluation Factor Definitions
- Weighted Factor Values
- Point Structure

PUBLIC SAFETY EVALUTION PLAN
EVALUATION FACTOR DEFINITIONS

FACTOR I:
KNOWLEDGE AND SKILLS

- The factor of Knowledge and Skills measures the minimum amount of knowledge and skills required for satisfactory performance of the duties of the position.
 - Knowledge and Skills reflect the cumulative amount of formal and informal education, training, and experience acquired within or outside the organization.
- Knowledge is viewed as the range of information or understanding of a subject or variety of subjects necessary to the function.
 - In addition to the measurable amount of knowledge, consideration is given to the breadth of knowledge (various types required) and to the depth of knowledge (both extent and detailed understanding of a particular subject).
- Skills to be considered are those needed to apply required knowledge, or developed abilities, to the functions of the position.
- The types of skills that might be required include:
 - The ability to define problems precisely and to identify and combine relevant facts objectively and in perspective
 - The ability to produce new concepts, methods, or programs through imaginative and innovative techniques
 - The ability to project concepts and facts and to define the steps necessary to reach objectives
 - Communications skills

- Leadership, persuasive, and human relations skills necessary to supervise other employees and/or to maintain relationships with others.
- In rating positions on this factor, consideration is given to the complexity and difficulty of the demands on the position and the types of skills and knowledge required to achieve objectives, not just selected credentials (for example, degree and license) that are required for initial entry to the position.

FACTOR II:

DECISIONS AND ACTIONS

- The factor of Decisions and Actions measures the need for the ability to exercise judgment and to make independent decisions and take action.
- In evaluating positions on this factor, consideration is given to:
 - The extent to which decisions and actions are subject to review by higher authority or are controlled by established policies and procedures
 - The scope of the position in terms of the relative frequency, complexity, and variety of matters on which decisions are required
 - The extent to which decisions and actions can be of influence.

FACTOR III:

RELATIONSHIPS RESPONSIBILITY

- The Relationships Responsibility factor measures the requirements for the ability to meet and deal with others effectively as indicated by the character, scope, and importance of the relationships that are necessary for satisfactory performance of the duties of the position.
- In measuring the Relationships factor, consideration is given to:
 - The type of required dealings with others - that is, whether the matters involved are not complex or controversial, or whether considerable tact, diplomacy, and persuasiveness are necessary to motivate and influence the thoughts and actions of others

- The working conditions under which these relationships are carried out and the mental and physical demands on the position as a result of these conditions
- The scope of the relationships - that is, whether they are confined within the department, extend outside the department but remain within State government, or extend outside State government
- The importance to the State of establishing the relationships and maintaining them effectively.
- The application of this factor excludes consideration of normal relationships with the incumbent's direct supervisory and subordinate chain of command.

FACTOR IV:

WORKING CONDITIONS

- The Working Conditions factor evaluates conditions and hazards associated with the job.
- Consideration is given to the surroundings or physical conditions under which the job must be performed and the extent to which those conditions make the job disagreeable.
- Consideration is also given to the probability and severity of injuries to which the employee is exposed, assuming that he/she is exercising reasonable care in observing safety regulations.

State Of Maryland

PUBLIC SAFETY EVALUATION PLAN

WEIGHTED FACTOR VALUES

<u>Level</u>	<u>Factor I: Knowledge And Skills</u>	<u>Factor II: Decisions And Actions</u>	<u>Factor III: Relationships Responsibility</u>	<u>Factor IV: Working Conditions</u>
15	283			
14	246			
13	214	283		
12	186	240	71	
11	162	204	59	
10	141	174	50	
9	122	147	41	
8	106	125	35	
7	93	106	29	
6	80	90	24	71
5	70	77	20	48
4	61	65	17	32
3	53	55	14	22
2	46	47	12	15
1	40	40	10	10

State Of Maryland
PUBLIC SAFETY EVALUATION PLAN
POINT STRUCTURE

<u>Grade</u>	<u>Point Range</u>		<u>Point Spread</u>
	<u>Minimum</u>	<u>Maximum</u>	
14	615		
13	535	614	80
12	465	534	70
11	405	464	60
10	352	404	53
9	306	351	46
8	266	305	40
7	231	265	35
6	201	230	30
5	175	200	26
4	152	174	23
3	132	151	20
2	115	131	17
1	100	114	15

Note: Point ranges were determined using a progression factor of 1.15 (that is, $100 \times 1.15 = 115$, $115 \times 1.15 = 132$, etc.).

APPENDIX E
TRADES AND LABOR EVALUATION PLAN

- Evaluation Factor Definitions
- Weighted Factor Values
- Point Structure

TRADES AND LABOR EVALUATION PLAN
EVALUATION FACTOR DEFINITIONS

FACTOR I:

KNOWLEDGE AND SKILLS

- The knowledge and skills factor appraises the minimum amount of knowledge and skills required for producing work of acceptable quality and sufficient quantity to justify continued employment.
- Knowledge is viewed as the range of information or understanding of a subject or variety of subjects necessary to the function.
 - In addition to the measurable amount of knowledge, consideration is given to the breadth of knowledge (various types required) and to the depth of knowledge (both extent and detailed understanding of a particular subject).
- Skills to be considered are those needed to apply required knowledge, or natural or developed abilities, to the functions of the position.
 - The types of skills that might be required include:
 - The use of tools, machines, and equipment, including optimum equipment use
 - Physical or muscular ability and dexterity, including concentration and coordination.
- Knowledge and skills reflect the cumulative amount of formal and informal education, training, and experience acquired within or outside the organization.

FACTOR II:

DECISIONS AND ACTIONS

- The factor of decisions and actions appraises the amount of independent action, exercise of judgment, decision-making, or planning the job requires without recourse to supervision.

- One element to be considered is the obligation for attention and care to prevent damage to tools and equipment with which the employee works or for which the employee is responsible.
 - Consideration is also given to the need to prevent loss through damage to materials.
 - Both the amount of care required and the probable cost of damage at any one time are considered.
- Another element to be considered is the obligation for attention and care required to prevent injury to fellow employees or to nonemployees.
 - Both the amount of care required and the frequency and severity of injury to others are considered.
- A third element is the scope of the position in terms of the relative frequency, complexity, and variety of matters on which decisions are required.

FACTOR III:

WORKING CONDITIONS

- The working conditions factor evaluates conditions and hazards associated with the job.
- Consideration is given to the surroundings or physical conditions under which the job must be performed and the extent to which those conditions make the job disagreeable.
- Consideration is also given to the probability and severity of injuries to which the employee is exposed, assuming that he/she is exercising reasonable care in observing safety regulations.

State Of Maryland

TRADES AND LABOR EVALUATION PLAN

WEIGHTED FACTOR VALUES

<u>Level</u>	<u>Factor I: Knowledge And Skills</u>	<u>Factor II: Decisions And Actions</u>	<u>Factor III: Working Conditions</u>
9	153		
8	133	122	31
7	116	104	26
6	101	89	22
5	87	76	19
4	76	65	16
3	66	55	14
2	57	47	12
1	50	40	10

State Of Maryland

TRADES AND LABOR EVALUATION PLAN

POINT STRUCTURE

<u>Grade</u>	<u>Point Range</u>		<u>Point Spread</u>
	<u>Minimum</u>	<u>Maximum</u>	
8	266		
7	231	265	35
6	201	230	30
5	175	200	26
4	152	174	23
3	132	151	20
2	115	131	17
1	100	114	15

Note: Point ranges were determined using a progression factor of 1.15 (that is, $100 \times 1.15 = 115$, $115 \times 1.15 = 132$, etc.).

APPENDIX F
BENEFITS AND PERQUISITES
SURVEY RESULTS

BENEFITS AND PERQUISITES

This Appendix compares the benefits and perquisites offered by the 16 nongovernment organizations (hospitals and private companies) and 39 federal agencies and state and local government organizations surveyed with those of the State of Maryland. On the basis of this compensation survey, certain conclusions are drawn regarding the State of Maryland's benefit and perquisite program for its employees. These conclusions are presented in the main body of this report. Note that the total number of participants responding to each question varies because every one does not offer all of the programs and some declined to respond to all of the questions.

LIFE AND TRAVELACCIDENT INSURANCEPresent Situation

- Maryland State employees receive life insurance coverage as part of their retirement program.
 - The retirement system pays the beneficiaries of a State employee who dies in active service an amount equal to the employee's retirement plan contributions plus interest.
 - If death occurs during actual job performance or if the employee had at least one year of creditable service, an additional amount of one times annual salary is paid to beneficiaries.
 - If death occurs while traveling on State business on a commercial airline, an additional \$250,000 is paid to beneficiaries.

Survey Findings

- As indicated in the following table, the basic life insurance coverage offered by both government and nongovernment organizations surveyed varies considerably:

<u>Basic Coverage</u>	<u>Number Of Nongovernment Organizations</u>	<u>Number Of Government Organizations</u>
Amount varies	-	4
0.5 times salary	1	1
1 times salary	6	10
1 times salary plus \$2,000	-	2
1 times salary plus \$4,000	-	1
1.5 times salary	1	3
2 times salary	5	3
3 times salary	1	-
\$1,000 fixed amount	-	2
\$2,000 fixed amount	1	1
\$2,500 fixed amount	-	1
\$4,000 fixed amount	-	1
\$5,000 fixed amount	-	5
\$10,000 fixed amount	-	2
\$15,000 or 1 times salary (whichever is greater)	-	1
\$16,000 fixed amount	-	1
\$20,000 fixed amount	1	-
	<u>16</u>	<u>38</u>

- In 3 of the nongovernment organizations surveyed, employees are required to contribute to the life insurance plan: 20 of the government organizations require employees to contribute all or a portion of the life insurance premium.

- The amount of employee contribution ranges from 1.0 per cent to 20.0 per cent of the premium among the four nongovernment organizations and from 4.5 per cent to 100.0 per cent among the government organizations.

- The amount of life insurance coverage offered to employees varies by category in six nongovernment and eight government organizations.

- In each of these organizations, the amount of basic life insurance coverage was higher for management-level employees.

- Additional life insurance coverage, at cost to the employee, is available to the employees of 10 nongovernment and 19 government organizations.
- Life insurance for dependents is also available at additional cost to the employee at 6 nongovernment and 16 government organizations.
- Most of the organizations surveyed that provide life insurance also include coverage while an employee is traveling on

business, in amounts ranging from \$1,000 to \$350,000, or double indemnity clauses, as shown in the following table:

<u>Coverage</u>	<u>Number Of Nongovernment Organizations</u>	<u>Number Of Government Organizations</u>
Double basic coverage	5	12
\$1,000	-	1
\$2,000	-	1
\$3,000	-	1
\$5,000	-	2
\$10,000	-	2
\$20,000	1	-
\$25,000	1	-
\$25,200	1	-
\$50,000	-	2
\$62,500	1	-
\$100,000	2	-
\$250,000	2	-
\$350,000	1	-
	<u>14</u>	<u>21</u>

- In addition, 10 of the nongovernment and 17 of the government organizations extend this coverage to 24 hours a day.

MEDICAL AND HOSPITALIZATION INSURANCE

Present Situation

- Maryland employees contribute 10 per cent of the premium for individual and dependent group medical insurance coverage under a Blue Cross/Blue Shield and major medical plan.
 - Employees also have the option of joining one of a number of health maintenance organizations (HMO's); the State pays a portion of the HMO membership fees equal to the dollar amount which would be paid under the Blue Cross/Blue Shield plan.
- The major medical plan has a \$250,000 lifetime maximum for physical illness and a limit of \$125,000 for psychiatric services.
- The plan also provides for prescription drug costs and vision care in addition to surgical, maternity, and semiprivate room coverage.
- A deductible of \$50 applies before benefits are paid.
- No dental care plan is offered to State employees.

Survey Findings

- All of the organizations surveyed provide hospitalization and major medical group insurance to their employees and employees' dependents.
 - Additionally, 10 nongovernment and 26 government organizations allow employees the choice of membership in an HMO in place of the standard group insurance plan.
- Ten of the nongovernment and 19 of the government organizations pay the full cost of their employees' group medical insurance plan; in addition, 5 of the nongovernment and 7 of the government organizations also pay the full cost of dependent medical insurance coverage.
 - The range of employee contribution in nongovernment organizations was from 5.0 per cent to 25.0 per cent of the premium for individual coverage and from 12.0 per cent to 75.0 per cent for dependent coverage.
 - The range of employee contributions in government organizations was from 4.0 per cent to 75.0 per cent for individual coverage and from 4.5 per cent to 100.0 per cent for dependent coverage.
- Only three of the nongovernment organizations and seven government organizations pay the full cost of employee HMO membership; one nongovernment and four government organizations also pay the full cost of dependent HMO membership.
- In two nongovernment organizations the employee contribution for individual HMO membership is the difference between the HMO fee and the dollar amount which would be paid by the employer under the group insurance plan; the range of the employee contributions is between 11.6 per cent and 45.4 per cent of the fee in the other five organizations.
 - Employee contributions for dependent HMO membership in the nongovernment organizations ranged from 2.1 per cent to 60.7 per cent or was based on the difference between the HMO fee and the dollar amount which would be paid by the employer under the group insurance plan.
- In the government organizations, the employee contribution for individual and dependent HMO membership ranged from 10 per cent to 100.0 per cent or was based on the difference between the HMO fee and the dollar amount which would be paid by the employee under the group health insurance plan.

- All but two organizations provide insurance plans which include full semiprivate rooms, full surgical benefits, maternity benefits, and major medical coverage.
 - Two government organizations offer plans which do not include full payment for semiprivate rooms or surgery.
 - Three nongovernment organizations have plans requiring a \$100 deductible; one requires a \$75 deductible; and three require a \$50 deductible; one government organization requires a \$150 deductible; 17 require a \$100 deductible; one a \$75 deductible; three require \$50; and one requires \$25.
 - The maximum amount of major medical coverage varies as shown in the following table:

<u>Maximum Coverage</u>	<u>Number Of Nongovernment Organizations</u>	<u>Number Of Government Organizations</u>
\$25,000	1	1
\$50,000	-	3
\$100,000	2	7
\$250,000	5	9
\$1,000,000	-	4
Unlimited	8	10
Varies according to illness	-	3
	<u>16</u>	<u>37</u>

- Thirteen nongovernment and 16 government organizations provide a dental plan to their employees and their dependents; orthodontic coverage is included in eight of the nongovernment plans and eight of the government plans.
 - Employees contribute to the cost of the plan in only three of the nongovernment organizations, while employees contribute to the cost in all but six of the government organizations.

DISABILITY INSURANCE

Present Situation

- State of Maryland employees accrue 15 days of sick leave each year, and there is no limit on number of days accrued.
 - Although employees are not paid a portion of accrued sick leave on termination, accrued days are credited to years of service upon retirement.

- Long-term disability coverage is of two types: both are included in the State retirement plan.
 - An employee disabled by an on-the-job injury is guaranteed two-thirds of average final pay plus a monthly annuity based on past retirement plan contributions plus interest.
 - An employee with at least five years of service disabled for any cause receives a normal retirement benefit and in addition, if the employee is covered under the new Pension System, benefits based on the the years of service the employee would have earned if retiring at age 62.

Survey Findings

- All of the organizations surveyed provide some form of short-term disability coverage in the form of sick leave or a portion of salary continuation for 26 weeks.
 - Annual accrual of sick leave varies, as indicated in the following table:

<u>Number Of Days Accrued Or Allowed Per Year</u>	<u>Number Of Nongovernment Organizations</u>	<u>Number Of Government Organizations</u>
5.0 days	2	-
7.0 days	1	-
10.0 days	5	1
12.0 days	3	7
13.0 days	1	9
15.0 days	1	15
15.6 days	-	1
18.0 days	-	2
21.0 days	-	1
Varies by years of service	1	-
	<u>14</u>	<u>37</u>

- Two of the nongovernment organizations provide no sick leave but do have plans which pay a disabled employee a per cent of salary for up to 26 or 42 weeks; four nongovernment organizations also provide employees with a salary continuation plan, to 13 or 26 weeks, in addition to sick leave accrual.
- Three government organizations also provide salary continuation plans in addition to sick leave.

- One of the nongovernment organizations pays employees for accumulated sick leave at termination at a rate of 25 per cent, while 11 government organizations pay for accumulated sick leave at a reduced rate on termination.
- Fourteen of the nongovernment and 14 of the government organizations surveyed provide a long-term disability insurance program in addition to required coverage; benefit formulas offered by the two groups are presented on the following pages.
 - The benefit formulas varied within the nongovernment organizations, as follows:
 - o \$2,000 or 70 per cent of salary less Social Security benefits
 - o 2 per cent of salary
 - o 50 per cent of salary
 - o 55 per cent of salary
 - o 60 per cent of salary (five respondents)
 - o 60 per cent of salary to a monthly maximum of \$2,500 (two respondents)
 - o 65 per cent of salary to a monthly maximum of \$1,600
 - o 66 per cent of salary to a monthly maximum of \$1,500
 - o 66 per cent of salary to a monthly maximum of \$2,500.
 - The benefit formulas among government organizations varied, as follows:
 - o A maximum of \$500 per month
 - o 50 per cent of salary (two respondents)
 - o 60 per cent of salary
 - o 60 per cent of salary to a monthly maximum of \$600
 - o 60 per cent of salary to a monthly maximum of \$1,000
 - o 60 per cent of salary to a monthly maximum of \$2,500
 - o 66 per cent of salary to a monthly maximum of \$3,000
 - o 75 per cent of salary (two respondents)

- o 100 per cent of salary to a maximum of one year (two respondents)
- o Benefits included in retirement plan (two respondents).
- Social Security benefits are combined with the long-term disability benefits in 12 of the nongovernment and 8 of the government organizations.
- Employees contribute to the cost of long-term disability in five of the nongovernment and five of the government organizations.
 - Contributions in the two nongovernment organizations which report this information are 100 per cent.
 - Contributions in the government organizations are 17 per cent, \$.50 per \$1,000 of coverage, and a variable percentage; in two organizations the amount is included in the retirement contribution.

VACATION LEAVE

Present Situation

- Maryland employees with under 6 years of service earn 10 days of paid vacation leave each year, 15 days for 6 to 10 years of service, 20 days for 11 to 20 years of service, and 25 days for 21 or more years of service.
- Employees also receive three days of personal leave each year.

Survey Findings

- All organizations surveyed provide vacation leave amounts which increase by years of service, as shown in Exhibit F-1 on the following page.
- Nine nongovernment and 13 government organizations provide additional personal leave days; the number of days varies, as shown in the following table:

<u>Number Of Days Per Year</u>	<u>Number Of Nongovernment Organizations</u>	<u>Number Of Government Organizations</u>
1 days	2	1
2 days	2	3
3 days	3	4
4 days	1	1
5 days	1	3
6 days	-	1
	<u>9</u>	<u>13</u>

VACATION DAYS BY SURVEY RESPONDENT

Vacation Days	1 Year		3 Years		5 Years		10 Years		15 Years		20 Years	
	NG	G	NG	G	NG	G	NG	G	NG	G	NG	G
5	2	2	-	-	-	-	-	-	-	-	-	-
9	-	1	-	-	-	-	-	-	-	-	-	-
10	13	10	13	9	8	2	1	-	-	-	-	-
10.4	-	1	-	-	-	-	-	-	-	-	-	-
11	-	-	-	-	-	-	-	-	1	-	-	-
12	-	10	1	12	1	6	-	1	-	-	-	-
13	1	8	1	2	-	-	-	-	-	-	-	-
14	-	1	-	-	-	-	-	-	-	-	-	-
15	-	6	1	8	6	16	9	8	4	2	1	-
15.6	-	-	-	1	-	1	-	1	-	-	-	-
16	-	-	1	1	-	-	-	1	-	-	-	-
16.25	-	-	1	1	-	1	-	-	-	-	-	-
17	-	-	-	1	-	-	-	-	-	-	-	-
18	-	-	-	-	-	-	-	3	-	-	-	-
19	-	-	-	-	-	4	-	7	-	3	-	1
19.5	-	-	-	-	-	1	-	-	-	1	-	-
20	-	-	1	1	1	2	1	2	1	1	1	1
20.8	-	-	3	3	6	10	5	10	9	12	9	6
21	-	-	-	-	-	-	-	-	-	1	-	1
22	-	-	-	-	-	4	-	4	1	6	-	6
22.5	-	-	-	-	-	-	-	-	-	2	-	3
22.75	-	-	-	-	-	-	-	-	-	1	-	-
24	-	-	-	-	-	-	-	-	-	-	-	-
25	-	-	-	-	-	-	-	-	-	2	-	6
26	-	-	-	-	-	-	-	-	-	2	4	7
27	-	-	-	-	-	-	-	-	-	5	1	7
28.75	-	-	-	-	-	-	-	-	-	-	1	-
	16	39	16	39	16	39	16	39	16	39	16	39

Note:

NG: Nongovernment.

G: Government.

HOLIDAYS

Present Situation

- Maryland State employees have 14 paid holidays each year plus general election day.

Survey Findings

- As shown in the following table, the number of holidays provided by the organizations surveyed vary:

<u>Number Of Holidays Per Year</u>	<u>Number Of Nongovernment Organizations</u>	<u>Number Of Government Organizations</u>
6.00 days	1	-
7.00 days	1	-
7.50 days	-	1
8.00 days	2	1
9.00 days	5	5
9.25 days	-	1
9.50 days	1	-
10.00 days	4	7
10.50 days	-	1
11.00 days	1	6
12.00 days	1	8
13.00 days	-	6
14.00 days	-	1
15.00 days	-	1
16.00 days	-	1
	<u>16</u>	<u>39</u>

WORKING HOURS

Present Situation

- Most Maryland employees are currently on a standard 35.5-hour workweek.
- Exceptions do exist however; for example, the Maryland State Police and certain other classes are on a 40-hour workweek.

Survey Findings

- Thirteen of the nongovernment organizations have a standard workweek of 40 hours and three have a workweek of 37.5 hours.
- Twenty of the government organizations have a standard 40-hour workweek; nine have a 35-hour workweek; nine have a 37.5-hour workweek; and one has a 36.66-hour workweek.

RETIREMENT PLAN

Present Situation

- As of January 1, 1980, Maryland State employees employed previous to that date have had the option of remaining with the Maryland State Retirement System or transferring to the Maryland State Pension System; both are "defined benefit" programs.
 - Under the Maryland State Retirement System, the benefit formula is 1.8 per cent of average final pay (three highest years) times years of service.
 - Under the Maryland State Pension System, the benefit formula is 0.8 per cent times average final pay (three highest paid consecutive years) up to the Social Security base times years of service plus 1.5 per cent times average final pay above the Social Security base times years of service.
- Under the Maryland State Retirement System, employees contribute 5 per cent of their total annual salary to the program; the employee contribution under the Maryland State Pension System is 5 per cent of annual salary over the Social Security base.
- Normal retirement with full benefits begins at age 60, or 30 years of service under the Retirement System, and at age 62, 63, 64 or 65 with, respectively, 5, 4, 3, or 2 years of service under the Pension System.
- Early retirement with reduced benefits begins at any age after 25 years of service in the Maryland State Retirement System and at age 55 after 15 years of service in the Maryland State Pension System.
- Vesting in both systems occurs after five years of service.

Survey Findings

- All of the nongovernment organizations surveyed provide a formal retirement program to their employees; all programs are of the "defined benefit" type with benefit formulas, as follows (one organization did not specify a formula):
 - \$15.00 times years of service per month
 - .02 per cent of final average earnings times years of service to 25 plus .0025 per cent of final average earnings times years of service over 25 less 50 per cent of Social Security benefit

- 1.0 per cent of final average earnings times years of service
 - 1.1 per cent of final average earnings to Social Security limit, plus 2.1 per cent of final average earnings over Social Security limit times years of service
 - 0.75 per cent of final average earnings times years of service (up to 35) less 2.0 per cent of Social Security benefit times years of service (up to 35)
 - 0.75 per cent of final average earnings to Social Security plus 1.5 per cent of final average earnings above Social Security or 1.0 per cent of final average earnings times years of service, whichever is higher
 - 1.25 per cent of highest average earnings to Social Security earnings, plus 0.45 per cent of highest average earnings over Social Security earnings times years of service (up to 30)
 - 1.5 per cent of final two-year average pay to 20 years, plus 1 per cent of final two-year average pay over 20 years (up to a maximum of 50 per cent of final two-year average pay)
 - 1.66 per cent of final average earnings times years of service to 30 less 1.5 per cent of Social Security times years of service or 1.0 per cent of final average earnings times year of service to 30
 - 2 per cent of final average earnings (highest five years)
 - 2 per cent of final average earnings times years of service (less 50 per cent of Social Security benefit) times years of service up to 30, or \$60 times years of service, whichever is higher
 - 50 per cent of final average earnings (highest five consecutive years) less 83 1/3 per cent of Social Security benefits
 - 60 per cent of final average earnings less Social Security benefits
 - 60 per cent of final average earnings less 64 per cent of Social Security benefit less 1/300 for each month less than 300 served at retirement
 - Combination of Social Security and pension to equal 60 per cent of final average earnings (last five years).
- o All 39 of the government organizations surveyed provided a formal retirement program and all but three are defined benefit programs.

- o The employer and employee contributions in the three organizations with defined contribution plans are:
 - Employer contributes 8.25 per cent of entire payroll to pension fund.
 - Employer and employee each contribute 7.0 per cent of annual salary.
 - Employer contributes 5.0 per cent of annual salary.
- o Benefit formulas of the government organizations with defined benefit programs are as follows:
 - $1/55$ of final average earnings times years of service
 - $1/60$ of final average earnings times years of service
 - $1/60$ times years of services times final average earnings (highest three years)
 - 1.0 per cent of final annual earnings times years of service
 - 0.8 per cent of final average earnings below the Social Security base, plus 1.5 per cent of final average earnings above the Social Security base (two respondents)
 - 1.0 to 1.5 per cent times years of service without Social Security benefits or 1.67 to 2.3 per cent times years of service with Social Security benefits
 - 1.3 per cent of highest monthly salary times years of service
 - 1.3 per cent of final average earnings up to \$7,800, plus 1.7 per cent of final average earnings above \$7,800 times years of service
 - 1.5 per cent of final average earnings times years of service (two respondents)
 - 1.5 per cent of final average earnings up to \$13,200, plus 1.65 per cent of final average earnings above \$13,200 less \$1,200 times years of service (three respondents)
 - 1.6 per cent of annual accrual rate
 - 1.75 per cent of final average earnings times years of service up to 25 years
 - 1.8 per cent of final average earnings times years of service (five respondents)

- 1.8 per cent of final average earnings up to Social Security benefits, plus 2.0 per cent
 - 2 per cent of final average earnings (highest three years) times years of service (five respondents)
 - 1.1 times final average earnings times years of service
 - 1.25 per cent times final average earnings to \$4,800 plus 1.65 per cent of final average earnings over \$4,800 times years of service
 - 5.0 per cent of "earnable compensation"
 - 2.5 times years of service times highest average earnings of 36 consecutive months
 - 1.625 times final average earnings (highest three) up to 10 years, plus 2 per cent of final average earnings for each year over 10 (two respondents)
 - 1.66 times final average earnings (highest 60 of last 120 months) times years of service
 - 50 per cent of final average earnings (last three years) less 50 per cent of Social Security benefit plus 1.55 per cent of final average earnings for each year of service over 30
 - One organization did not report its formula.
- Only 2 of the 16 nongovernment organizations require their employees to contribute to the retirement program while 30 government organizations require their employees to contribute to their retirement program; the level of contribution varies as follows:
- Varies depending on salary level or date of employment (five respondents)
 - 3.0 per cent of annual salary (two respondents)
 - 4.0 per cent of annual salary
 - 4.0 per cent of annual salary to \$4,800, plus 6.0 per cent of salary over \$4,800
 - 4.2 per cent of annual salary
 - 4.5 per cent of annual salary
 - 5.0 per cent of annual salary (eight respondents)

- 5.0 per cent of annual salary over \$11,000
 - 5.5 per cent of annual salary
 - 6.0 per cent of annual salary
 - 2.0 per cent of annual salary up to \$11,000, 6 per cent of annual salary above \$11,000
 - 2.0 per cent of annual salary up to \$11,000, 5 per cent of annual salary above \$11,000 (two respondents)
 - 7.0 per cent of annual salary (four respondents)
 - 8.5 per cent of annual salary
 - 10.7 per cent of annual salary.
- Eligibility for full retirement benefits begins at age 65 in all 16 nongovernment organizations and in 11 of the 39 government organizations; one government organization offers normal retirement at age 70.
 - Five government organizations begin normal retirement at 62, fourteen at age 60, three at age 55, and two offer full retirement at any age after 30 years of service.
 - Early retirement benefits are available at age 55 in 13 nongovernment and 16 government organizations.
 - One nongovernment and two government organizations offer early retirement at age 60; seven government organizations offer early retirement at age 50 and one at age 62.
 - Five government organizations offer early retirement after 25 years regardless of age.
 - Employees are fully vested at five years in 15 government organizations.
 - Employees are fully vested at 10 years in all but three nongovernment and 13 government organizations.
 - Employees are fully vested after 14 years in two nongovernment organizations and after 15 years in the third.
 - The remaining government organizations require 1, 7, 8, 11, and 15 years to full vesting; one offers full vesting on the date of employment.

DEFERRED
COMPENSATION

Present Situation

- Maryland State employees are allowed to defer up to \$7,500 of their salary each year.

Survey Findings

- Seven nongovernment and 24 government organizations surveyed offered a deferred compensation plan to their employees.
 - The amount of deferral allowed varies, as indicated in the following table:

<u>Deferral Allowed</u>	<u>Number Of Nongovernment Organizations</u>	<u>Number Of Government Organizations</u>
To \$2,000	-	1
16 per cent of salary	1	-
20 per cent of salary	3	-
25 per cent of salary		
up to \$7,500	2	21
33 per cent of salary		
up to \$7,500	-	-
50 per cent of salary	1	-
No limit	-	2
	<u>7</u>	<u>24</u>

100

100